TENNESSEE REGULATORY AUTHORITY

Pat Miller, Chairman
Deborah Taylor Tate, Director
Sara Kyle, Director
Ron Jones, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

NOTICE

DOCKET: **03-00633**

IN RE: **Request for Suspension of Wireline to Wireless Number Portability Obligations Pursuant to Section 251(f)(2) of the Communications Act of 1934, as Amended**

DATE: **August 20, 2004**

This is to advise that, pursuant to Tenn. Code Ann. § 4-5-313(6) and § 65-2-109(3), the Tennessee Regulatory Authority will take administrative notice in the above-styled docket of the following financial reports on file with the Authority.

Ardmore Telephone Co., Inc.	PSC 3.02 for Quarter ending on March 31, 2004
Crockett Telephone Co., Inc.	PSC 3.01 for Month ending on April 30, 2004
Humphreys County Telephone Co.	PSC 3.01 for Month ending on June 30, 2004
Loretto Telephone Company, Inc.	PSC 3.02 for Quarter ending on March 31, 2004
Millington Telephone Co., Inc.	PSC 3.01 for Month ending on June 30, 2004
Peoples Telephone Co., Inc.	PSC 3.01 for Month ending on April 30, 2004
Tellico Telephone Co., Inc.	PSC 3.01 for Month ending on June 30, 2004
Tennessee Telephone Co.	PSC 3.01 for Month ending on June 30, 2004
West Tennessee Telephone Co., Inc.	PSC 3.01 for Month ending on April 30, 2004

Copies of these financial reports are attached to this Notice. Any party desiring to comment on this Notice shall do so no later than August 27, 2004.

FOR THE TENNESSEE REGULATORY AUTHORITY,

Ron Jones, Director

cc: Parties of Record
Original in docket file

PSC-3 02

QUARTERLY REPORT OF REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES

COMPANY

Company Name Ardmore Telephone Co Inc
Quarterly Ending March 31, 2004

	Item (a)	Amount For This Quarter: This Year (b)	Amount For This Quarter: Last Year (c)	Year-to-Date: This Year (d)	Year-to-Date: Last Year (e)	12 Months-To-Date: This Year (f)	12 Months-To-Date: LAST YEAR (g)
	Operating Revenues						
1	Local Revenues (5000 to 5069)	815,207	826,290	815,207	826,290	3,296,598	3,312,576
2	Access Revenues (5080 to 5084)	1,019,921	1,007,642	1,019,921	1,007,642	4,366,357	3,828,148
3	Long Distance Revenues (5100 to 5169)	0	0	0	0	0	10
4	Miscellaneous Revenues (5200 to 5270)	60,945	70,906	60,945	70,906	267,598	290,052
5	Uncollectible Revenues (5300 to 5302)	4,650	4,650	4,650	4,650	46,827	43,663
6	**Total Operating Revenues (L1 to L4 Less L5)**	1,891,423	1,900,188	1,891,423	1,900,188	7,883,726	7,387,123
	Operating Expenses						
7	Plant Specific Expenses (6110 to 6441)	404,891	368,376	404,891	368,376	1,539,903	1,527,271
8	Plant NonSpecific Expenses (6510 to 6540)	70,091	70,622	70,091	70,622	298,624	278,764
9	Depreciation & Amortization (6560 to 6565)	525,930	497,250	525,930	497,250	2,057,343	1,913,638
10	Customer Operations Expense (6610 to 6623)	109,235	108,956	109,235	108,956	432,125	387,897
11	Corporate Operations Expense (6710 to 6790)	261,866	289,126	261,866	289,126	1,039,580	1,039,813
12	Other Operation Taxes (7230 & 7240)	101,787	81,335	101,787	81,335	331,770	251,355
13	Federal Income Tax (7210, 7220, and 7250)	60,667	93,750	60,667	93,750	368,796	477,962
14	**Total Operating Expense (L7 toL13)**	1,534,467	1,509,415	1,534,467	1,509,415	6,068,141	5,876,700
15	**Net Operating Income (L6 minus L14)**	356,956	390,773	356,956	390,773	1,815,585	1,510,423
16	Nonoperating Inc (7310 to 7370)-(7410 to 7450)	8,899	13,067	8,899	13,067	-73,395	-154
17	Interest Expense (7510 to 7540)	166,004	172,713	166,004	172,713	737,348	732,834
18	Extraordinary Items (7610 to 7640						
19	**Net Income**	199,851	231,127	199,851	231,127	1,004,842	777,435

	Selected Balance Sheet Items	Balance End of Quarter: This Year (h)	Balance End of Quarter: Last Year (I)	Average 12 M-T-D: This Year (J)	Average 12 M-T-D: Last Year (k)
20	Plant in Service (2110 to 2690)	35,586,829	33,950,132	34,736,571	33,890,715
21	Property Held For Future Use (2002)				
22	Plant Under Construction (2003 to 2004)	358,909	893,843	675,836	866,551
23	Plant Acquisition Adustment (2005)				
24	Materials & Supplies (1220)	152,306	137,564	158,164	135,687
25	Depreciation Reserve (3100 to 3600 less 3300)	18,885,399	16,842,308	18,104,736	16,593,738
26	Unamortized Investment Tax Credit (4320)				
27	Accumulated Deferred Income Taxes (4340)	3,400,926	3,184,976	3,292,951	3,184,976
28	Preferred Stock (4510)	19,450	19,450	19,450	19,450
29	Common Stock (4510)	145,000	145,000	145,000	145,000
30	Additional Paid in Capital (4520)				
31	Retained Earnings (4550)	8,120,312	7,721,684	7,885,342	7,577,324
32	Long Term Debt (4210 to 4270)	13,350,909	14,490,119	13,529,044	14,582,069

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TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

PSC-3 02

QUARTERLY REPORT OF REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES

COMPANY

Company Name Ardmore Telephone Co Inc
Quarterly Ending March 31, 2004

	Item (a)	Amount For This Quarter		Year-to-Date		12 Months-To-Date	
		This Year (b)	Last Year (c)	This Year (d)	Last Year (e)	This Year (f)	LAST YEAR (g)
	Operating Revenues						
1	Local Revenues (5000 to 5069)	815,207	826,290	815,207	826,290	3,296,598	3,312,576
2	Access Revenues (5080 to 5084)	1,019,921	1,007,642	1,019,921	1,007,642	4,366,357	3,828,148
3	Long Distance Revenues (5100 to 5169)	0	0	0	0	0	10
4	Miscellaneous Revenues (5200 to 5270)	60,945	70,906	60,945	70,906	267,598	290,052
5	Uncollectible Revenues (5300 to 5302)	4,650	4,650	4,650	4,650	46,827	43,663
6	**Total Operating Revenues (L1 to L4 Less L5)**	1,891,423	1,900,188	1,891,423	1,900,188	7,883,726	7,387,123
	Operating Expenses						
7	Plant Specific Expenses (6110 to 6441)	404,891	368,376	404,891	368,376	1,539,903	1,527,271
8	Plant NonSpecific Expenses (6510 to 6540)	70,091	70,622	70,091	70,622	298,624	278,764
9	Depreciation & Amortization (6560 to 6565)	525,930	497,250	525,930	497,250	2,057,343	1,913,638
10	Customer Operations Expense (6610 to 6623)	109,235	108,956	109,235	108,956	432,125	387,897
11	Corporate Operations Expense (6710 to 6790)	261,866	289,126	261,866	289,126	1,039,580	1,039,813
12	Other Operation Taxes (7230 & 7240)	101,787	81,335	101,787	81,335	331,770	251,355
13	Federal Income Tax (7210, 7220, and 7250)	60,667	93,750	60,667	93,750	368,796	477,962
14	**Total Operating Expense (L7 toL13)**	1,534,467	1,509,415	1,534,467	1,509,415	6,068,141	5,876,700
15	**Net Operating Income (L6 minus L14)**	356,956	390,773	356,956	390,773	1,815,585	1,510,423
16	Nonoperating Inc (7310 to 7370)-(7410 to 7450)	8,899	13,067	8,899	13,067	-73,395	-154
17	Interest Expense (7510 to 7540)	166,004	172,713	166,004	172,713	737,348	732,834
18	Extraordinary Items (7610 to 7640						
19	**Net Income**	199,851	231,127	199,851	231,127	1,004,842	777,435

	Selected Balance Sheet Items	Balance End of Quarter		Average 12 M-T-D	
		This Year (h)	Last Year (I)	This Year (J)	Last Year (k)
20	Plant in Service (2110 to 2690)	35,586,829	33,950,132	34,736,571	33,890,715
21	Property Held For Future Use (2002)				
22	Plant Under Construction (2003 to 2004)	358,909	893,843	675,836	866,551
23	Plant Acquisition Adustment (2005)				
24	Materials & Supplies (1220)	152,306	137,564	158,164	135,687
25	Depreciation Reserve (3100 to 3600 less 3300)	18,885,399	16,842,308	18,104,736	16,593,738
26	Unamortized Investment Tax Credit (4320)				
27	Accumulated Deferred Income Taxes (4340)	3,400,926	3,184,976	3,292,951	3,184,976
28	Preferred Stock (4510)	19,450	19,450	19,450	19,450
29	Common Stock (4510)	145,000	145,000	145,000	145,000
30	Additional Paid in Capital (4520)				
31	Retained Earnings (4550)	8,120,312	7,721,684	7,885,342	7,577,324
32	Long Term Debt (4210 to 4270)	13,350,909	14,490,119	13,529,044	14,582,069

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TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

Type of Service (a)	Residence (b)	Business (c)	Total (d)
33 1 Party	9,041	1,100	10,141
34 2 Party		302	
35 4 Party			
36 Multi Party			
37 Other			0
38 Total	9,041	1,402	10,443

INSTRUCTIONS

This report is required of telephone companies which had operating revenues for the preceeding year of $1,500,000 or less as provided in the Commission's rules Prepare on a typewriter and file within 60 days after the end of the quarter covered by the report Show adjusted to the nearest dollar unless directed otherwise

If any amount for the current quarter differs materially from that for the previous quarter a year ago and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks"

Average for the 12 Months-To-Date shall be computed on an average quarterly balance basis

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report

Date 5/5/04

(Signed) Georgie Bailey

Title Commercial Manager

address PO Box 549 Ardmore, TN 38449

Name of Contact Concerning this report .... Georgie Bailey

Phone Number of Contact .... (256) 423-2131

SUPPLEMENTAL FINANCIAL DATA TO PSC 3 02 FOR THE QUARTER ENDED March 31, 2004

COMPANY

Line #		Average Quarterly Balance	Average for 12 MTD
	Additions:		
1	Plant in Service	35,402,604	34,736,571
2	Plant Under Construction	346,218	675,836
3	Property Held For Future Use		
4	Materials & Supplies	148,257	158,164
	Other Additions (Itemize)		
5	Working Capital	282,028	275,853
6			
7			
8	**Total Additions**	36,179,107	35,846,424
	Deductions:		
9	Accumulated Depreciation	18,622,590	18,104,736
10	Accumulated Deferred Income Taxes	3,400,926	3,292,951
11	Unamortized Investment Credit – Pre 1971		
12	Customer Deposits	157,606	158,736
	Other Deductions (Itemize)		
13			
14			
15			
16	**Total Deductions**	22,181,122	21,556,423
17	**Rate Base**	13,997,985	14,290,001
18	Net Operating Income (NOI)	1,427,824	1,815,585
	Adjustment to NOI (Itemize)		
19	Directors Salaries	17,788	17,572
20			
21			
22			
23			
24	**Adjusted Net Operating Income**	1,445,612	1,833,157
25	**Rate of Return (L24/l17)**	10 33%	12 83%

All amounts should be calculated in a manner consisten with the last Rate Order issued by the Commission for this company

COMPANY

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.02
NET ACCESS REVENUES BY CATEGORY
FOR THE QUARTER ENDED March 31, 2004

Line #		QUARTER ENDED 3/31/2004	12 MONTHS ENDED 3/31/2004
	Swithched:		
1	A Line Termination		
	B Local Switching 1		
	C Local Switching 2	9,473	39,973
	D Intercept	240	1,014
	E Directory Assistance		
	F Transport		
	1 Access Connection		
	2 Local Transport	4,832	32,567
	G Miscellaneous		
	H Subtotal	14,545	73,553
2	Feature Group A		
3	Feature Group B		
4	Carrier Common Line	24,100	100,979
5	Billing and Colllection		
	A Record		
	B Billing Services	314	1,455
	C Miscellaneous		
	D Subtotal	314	1,455
6	Special Access	386	1,546
7	Miscellaneous (Itemize)		
	A		
	B 800 Query Basic	103	447
	C 800 Query Vert	9	33
	D Subtotal	111	480
8	Total Intrastate Access Revenues (Total Lines 1 through 7)	39,457	178,012
9	Total Interstate Access Revenues	43,361	201,074
10	Total Access Charge Revenues	82,818	379,086

PSC-3 02

QUARTERLY REPORT OF REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES

TENNESSEE ONLY

Company Name Ardmore Telephone Co Inc
Quarterly Ending March 31, 2004

	Item (a)	Amount For This Quarter: This Year (b)	Amount For This Quarter: Last Year (c)	Year-to-Date: This Year (d)	Year-to-Date: Last Year (e)	12 Months-To-Date: This Year (f)	12 Months-To-Date: Last Year (g)
	Operating Revenues						
1	Local Revenues (5000 to 5069)	141,109	134,523	141,109	134,523	555,617	533,467
2	Access Revenues (5080 to 5084)	334,989	346,870	334,989	346,870	1,505,804	1,315,531
3	Long Distance Revenues (5100 to 5169)	0	0	0	0	40	0
4	Miscellaneous Revenues (5200 to 5270)	24,198	22,362	24,198	22,362	105,977	102,820
5	Uncollectible Revenues (5300 to 5302)	2,325	2,325	2,325	2,325	10,292	10,280
6	**Total Operating Revenues (L1 to L4 Less L5)**	497,971	501,430	497,971	501,430	2,157,146	1,941,538
	Operating Expenses						
7	Plant Specific Expenses (6110 to 6441)	122,517	84,940	122,517	84,940	454,319	354,835
8	Plant NonSpecific Expenses (6510 to 6540)	13,537	18,393	13,537	18,393	66,581	63,497
9	Depreciation & Amortization (6560 to 6565)	77,034	76,050	77,034	76,050	306,253	301,586
10	Customer Operations Expense (6610 to 6623)	27,911	30,208	27,911	30,208	118,754	117,570
11	Corporate Operations Expense (6710 to 6790)	72,699	84,953	72,699	84,953	297,906	307,132
12	Other Operation Taxes (7230 & 7240)	31,607	30,330	31,607	30,330	75,402	71,873
13	Federal Income Tax (7210, 7220, and 7250)	17,593	27,188	17,593	27,188	70,781	95,660
14	**Total Operating Expense (L7 toL13)**	362,898	352,062	362,898	352,062	1,389,996	1,312,153
15	**Net Operating Income (L6 minus L14)**	135,073	149,368	135,073	149,368	767,150	629,385
16	Nonoperating Inc (7310 to 7370)-(7410 to 7450)	2,581	3,288	2,581	3,288	-74,224	-55,873
17	Interest Expense (7510 to 7540)	48,127	50,074	48,127	50,074	201,778	209,104
18	Extraordinary Items (7610 to 7640						
19	**Net Income**	89,527	102,582	89,527	102,582	491,148	364,408

	Selected Balance Sheet Items	Balance End of Quarter: This Year (h)	Balance End of Quarter: Last Year (I)	Average 12 M-T-D: This Year (j)	Average 12 M-T-D: Last Year (k)
20	Plant in Service (2110 to 2690)	8,403,157	8,291,533	8,352,766	8,285,498
21	Property Held For Future Use (2002)				
22	Plant Under Construction (2003 to 2004)	0	0	0	0
23	Plant Acquisition Adustment (2005)				
24	Materials & Supplies (1220)	47,321	43,291	50,356	42,487
25	Depreciation Reserve (3100 to 3600 less 3300)	3,214,145	2,907,893	3,067,449	2,869,902
26	Unamortized Investment Tax Credit (4320)				
27	Accumulated Deferred Income Taxes (4340)	1,056,668	1,002,312	1,029,995	941,389
28	Preferred Stock (4510)	19,450	19,450	19,450	19,450
29	Common Stock (4510)	145,000	145,000	145,000	145,000
30	Additional Paid in Capital (4520)				
31	Retained Earnings (4550)	8,120,312	7,721,684	7,885,342	7,577,324
32	Long Term Debt (4210 to 4270)	13,350,909	14,490,119	13,529,044	14,582,069

TENNESSEE

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

Type of Service (a)	Residence (b)	Business (c)	Total (d)
33 1 Party	2,547	392	2,939
34 2 Party			
35 4 Party			
36 Multi Party			
37 Other		68	68
38 Total	2,547	460	3,007

INSTRUCTIONS

This report is required of telephone companies which had operating revenues for the preceeding year of $1,500,000 or less as provided in the Commission's rules Prepare on a typewriter and file within 60 days

after the end of the quarter covered by the report Show adjusted to the nearest dollar unless directed otherwise

If any amount for the current quarter differs materially from that for the previous quarter a year ago and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks"

Average for the 12 Months-To-Date shall be computed on an average quarterly balance basis

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report

Date May 19, 2004

(Signed) Georgie Bailey

Title **Commercial Manager**

address PO Box 549 Ardmore, TN. 38449

Name of Contact Concerning this report .... **Georgie Bailey**

Phone Number of Contact .... **(256) 423-2131**

TENNESSEE

For Quarter Ended March 31, 2004

Line #		Average Quarterly Balance	Average for 12 MTD
	Additions:		
1	Plant in Service	8,387,827	8,352,766
2	Plant Under Construction	0	0
3	Property Held For Future Use		
4	Materials & Supplies	46,050	50,356
	Other Additions (Itemize)		
5	Working Capital	78,888	78,130
6			
7			
8	**Total Additions**	8,512,765	8,481,252
	Deductions:		
9	Accumulated Depreciation	3,175,628	3,067,449
10	Accumulated Deferred Income Taxes	1,024,394	1,029,995
11	Unamortized Investment Credit -- Pre 1971		
12	Customer Deposits	39,371	39,190
	Other Deductions (Itemize)		
13			
14			
15			
16	**Total Deductions**	4,239,393	4,136,634
17	**Rate Base**	4,273,372	4,344,618
18	Net Operating Income (NOI)	540,292	767,150
	Adjustment to NOI (Itemize)		
19	Directors Salaries	17,572	17,788
20	Net Income for Ardmore Communications	8,375	7,658
21			
22			
23			
24	**Adjusted Net Operating Income**	566,239	792,596
25	**Rate of Return (L24/l17)**	13 25%	18 24%

All amounts should be calculated in a manner consisten with the last Rate Order issued by the Commission for this company

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES

Company Name Crockett Telephone Co , Inc
Month Ending April 30, 2004

	Item (a)	Amount For The Month Combined (b)	Amount For The Month Interstate (c)	Amount For The Month Intrastate (d)	Year - To - Date Combined (e)	Year - To - Date Interstate (f)	Year - To - Date Intrastate (g)	12 Months-To-Date Combined (h)	12 Months-To-Date Interstate (i)	12 Months-To-Date Intrastate (j)
	Operating Revenues									
1	Local Revenues (5000 to 5069)	69,945	0	69,945	277,894	0	277,894	833,079	0	833,079
2	Access Revenues (5080 to 5084)	181,722	83,801	97,921	803,273	333,057	470,216	2,672,609	1,127,295	1,545,314
3	Long Distance Revenues (5100 to 5169)	547	0	547	2,127	0	2,127	6,362	0	6,362
4	Miscellaneous Revenues (5200 to 5270)	16,324	2,429	13,895	62,420	10,073	52,347	208,250	31,460	176,790
5	Uncollectible Revenues (5300 to 5302)	244	0	244	995	0	995	21,976	18,407	3,569
6	**Total Operating Revenues (L1 to L4 less L5)**	**268,293**	**86,230**	**182,063**	**1,144,719**	**343,131**	**801,588**	**3,698,325**	**1,140,349**	**2,557,976**
	Operating Expenses									
7	Plant Specific Expenses (6110 to 6441)	55,939	8,900	47,039	211,043	33,577	177,466	649,983	103,413	546,570
8	Plant NonSpecific Expenses (6510 to 6540)	31,513	8,676	22,837	132,833	36,570	96,263	399,055	109,862	289,193
9	Depreciation & Amortization (6560 to 6565)	55,770	15,353	40,417	231,247	63,662	167,585	749,757	206,408	543,349
10	Customer Operations Expense (6610 to 6623)	57,904	9,421	48,483	233,100	37,925	195,175	707,964	115,185	592,779
11	Corporate Operations Expense (6710 to 6790)	46,029	9,924	36,105	194,557	41,948	152,609	588,849	126,958	461,891
12	Other Operating Taxes (7230 & 7240)	7,424	1,195	6,229	3,706	596	3,110	39,638	6,382	33,256
13	Federal Income Taxes (7210, 7220 and 7250)	5,364	1,484	3,880	35,626	9,858	25,768	274,359	75,914	198,445
14	**Total Operating Expenses (L7 to L13)**	**259,943**	**54,953**	**204,990**	**1,042,113**	**224,136**	**817,977**	**3,409,604**	**744,122**	**2,665,482**
15	**Net Operating Income (L6 minus L14)**	**8,351**	**31,277**	**(22,926)**	**102,606**	**118,995**	**(16,388)**	**288,721**	**396,227**	**(107,506)**
16	Nonoperating Inc (7310 to 7370)-(7410 to 7450)	14,466	2,025	12,441	57,681	8,074	49,607	231,474	32,406	199,068
17	Interest Expense (7510 to 7540)	9,175	1,481	7,694	37,386	6,035	31,351	115,179	18,590	96,589
18	Extraordinary Items (7610 to 7640)	0	0	0	0	0	0	0	0	0
19	Nonregulated Income Items	(5,634)	(789)	(4,845)	(26,149)	(3,661)	(22,488)	(97,107)	(13,595)	(83,512)
20	**Net Income**	**8,008**	**31,032**	**(23,024)**	**96,753**	**117,373**	**(20,620)**	**307,908**	**396,448**	**(88,540)**

	Selected Balance Sheet Items	Balance End of Month Combined (k)	Balance End of Month Interstate (l)	Balance End of Month Intrastate (m)	Average 12 M-T-D Combined (n)	Average 12 M-T-D Interstate (o)	Average 12 M-T-D Intrastste (p)
21	Plant in Service (2110 to 2690)	11,903,413	1,914,069	9,989,344	11,271,700	1,812,489	9,459,211
22	Property Held For Future Use (2002)	0	0	0	0	0	0
23	Plant Under Construction (2003 to 2004)	1,512,726	243,246	1,269,480	1,499,778	241,164	1,258,613
24	Plant Acquisition Adjustment (2005)	0	0	0	0	0	0
25	Materials & Supplies (1220)	67,798	11,431	56,367	71,248	12,012	59,235
26	Depreciation Reserve (3100 to 3600 less 3300)	8,248,740	1,281,029	6,967,711	7,904,893	1,134,816	6,172,433
27	Unamortized Investment Tax Credit (4320)	15,992	2,484	13,508	19,835	3,080	16,755
28	Accumulated Deferred Income Taxes (4340)	410,901	63,813	347,088	162,272	25,201	137,071
29	Preferred Stock (4510)	53,800	XXXXXX	XXXXXX	53,800	XXXXXX	XXXXXX
30	Common Stock (4510)	55,000	XXXXXX	XXXXXX	55,000	XXXXXX	XXXXXX
31	Additional Paid In Capital (4520)	0	XXXXXX	XXXXXX	0	XXXXXX	XXXXXX
32	Retained Earnings (4550)	5,936,725	XXXXXX	XXXXXX	5,815,784	XXXXXX	XXXXXX
33	Long Term Debt (4210 to 4270)	2,095,839	XXXXXX	XXXXXX	2,164,624	XXXXXX	XXXXXX

Crockett Telephone Co., Inc.   April 30, 2004

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

	Type of Service (a)	Residence (b)	Business (c)	Total (d)
34	1 Party	3,376	676	4,052
35	2 Party			0
36	4 Party			0
37	Multi Party			0
38	Other	11	318	329
39	**Total**	**3,387**	**994**	**4,381**

INSTRUCTIONS

1. This report is required of telephone companies which had operating revenues for the preceeding year in excess of $1,500,000 as provided in the Commission's rules. Prepare on a typewriter and file within 60 days after the end of the calendar month covered by the report. Show amounts adjusted to the nearest thousand dollars unless otherwise directed otherwise.

2. If Tennessee data is not available for multistate companies, include total company operations under the combined columns and not that the data represents total company.

3 If any amount for the current month differs materially from that for the previous month a year ago and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks".

4 Average for the 12 Months-To-Date shall be computed on an average monthly balance basis.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report:

Date 7-2-04

(Signed) Larry S. Howle

Title Separations Specialist

Address 236 E. Capital St , Jackson, MS

Name of Contact Concerning This Report Larry S. Howle

Phone Number of Contact (601) 352-0940

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.01
FOR THE MONTH ENDED April 30, 2004

Line #		Average Monthly Balance	Average Y-T-D Balance	Average for 12 M-T-D
	Additions:			
1	Plant In Service	$11,883,179	$11,859,683	$11,271,700
2	Plant Under Construction	1,445,659	1,236,903	1,499,778
3	Property Held For Future Use	0	0	0
4	Materials & Supplies	67,601	71,778	71,248
	Other Additions (Itemize):			
5	Working Capital	191,385	192,884	195,488
6				
7				
8	**Total Additions**	$13,587,824	$13,361,248	$13,038,213
	Deductions:			
9	Accumulated Depreciation	8,220,830	8,156,220	7,904,893
10	Accumulated Deferred Income Taxes	409,256	401,425	162,272
11	Unamortized Investment Credit - Pre 1971	16,312	17,273	19,835
12	Customer Deposits	11,450	11,945	13,052
	Other Deductions (Itemize):			
13	Deferred Revenue-TPSC ordered	0	0	0
14				
15				
16	**Total Deductions**	$8,657,848	$8,586,863	$8,100,053
17	**Rate Base**	$4,929,976	$4,774,385	$4,938,160
18	Net Operating Income (NOI)	8,351	102,606	288,721
	Adjustments to NOI (Itemize):			
19				
20	Less: Interest on Customer Deposits	57	231	759
21	Add: Inside Wiring (NOI)	(1,558)	(6,092)	(19,259)
22	Add: Parent Tax Savings	2,721	19,494	30,801
23	Less: Interstate B&C Net Income	(2,291)	(9,378)	(27,879)
24	**Adjusted Net Operating Income**	$11,747	$125,155	$327,382
25	**Rate Of Return (L24/L17)**	2 86%	7 86%	6 63%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS. Estimate the effect on net operating income of very significant known changes occurring within the period covered by the report which are not fully reflected in the revenue and expense amounts shown in the report.

1.
2.

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.01
NET ACCESS REVENUES BY CATEGORY
FOR THE MONTH ENDED April 30, 2004

Line #		MONTH ENDED 04/30/04	12 MONTHS ENDED 04/30/04
1	Switched:		
	A. Line Termination		
	B Local Switching 1		
	C. Local Switching 2	78,911	65,887
	D. Intercept		
	E. Directory Assistance	388	324
	F. Transport		
	1. Access Connection		
	2. Local Transport	32,454	27,121
	G. Miscellaneous		
	H. Subtotal	111,752	93,332
2	Feature Group A & B		
3	Feature Group E		
4	Carrier Common Line	34,271	28,509
5	Billing and Collection:		
	A. Record		
	B. Billing Services	17,956	20,862
	C Miscellaneous		
	D. Subtotal	17,956	20,862
6	Special Access	4,737	6,935
7	Miscellaneous (Itemize)		
	A. CMRS Reserve Pending Arbitration	(52,839)	0
	B.		
	C.		
	D. Subtotal	(52,839)	0
8	Total Intrastate Access Revenues (Total lines 1 through 7)	115,877	149,638
9	Total Interstate Access Revenues	83,801	93,941
10	Total Access Charge Revenues	$199,678	$243,580

RECEIVED

JUL 26 2004

TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Humphreys County Telephone
Month Ending June 30, 2004

Ln No	Item (a)	Total Company Current Month (b)	Interstate Current Month (c)	Intrastate Current Month (d)	Interstate % (e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 29,335	$ -	$ 29,335	
2	Interstate Access (5081-5083)	24,527	24,527	-	
3	Interstate USF (50821)	13,996		13,996	
4	Intrastate Access (508421-50847)	63,480		63,480	
5	Long Distance Revenues (5100 - 5169)	-		-	
6	Miscellaneous Revenues (523-5269)	1,750		1,750	
7	B&C (5270)	4,514	892	3,622	
8	Uncollectible Revenues (5300)	2,047		2,047	
9	Total Operating Revenues (L1 to L8)	$ 139,650	$ 25,419	$ 114,231	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 13,188	$ 3,876	$ 9,313	29 39%
11	Plt Non Spec. Expense (6510 to 6540)	11,680	3,344	8,336	28 63%
12	Depreciation & Amortization (6560)	25,031	7,319	17,712	29 24%
13	Customer Operation Expense (6600)	16,487	4,446	12,041	26 97%
14	Corporate Operation Expense (6700)	18,440	5,150	13,290	27 93%
15	Other Operating Taxes (7240)	5,548	1,609	3,940	28 99%
16	Federal Income Taxes (7220 and 72501)	14,696	(322)	15,018	
17	State Income Taxes (7230 and 72502)	3,066	(405)	3,471	
18	Total Operating Expenses (L10 to L17)	$ 108,137	$ 25,017	$ 83,120	
19	Net Operating Income (L9 less L18)	$ 31,512	$ 402	$ 31,110	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	6,978	-	6,978	
21	Interest Expense (7510 to 7540)	8,441	-	8,441	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	(6,287)	-	(6,287)	
24	Net Income	$ 23,762	$ 402	$ 23,360	

Ln No	Selected Balance Sheet Items	Current Month	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 4,601,316	$ 1,317,509	$ 3,283,807	28 63%
26	Depreciation Reserve (3100-3120)	2,722,080	797,831	1,924,248	29 31%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	144,827	41,469	103,358	28 63%
29	Materials & Supplies (1220)	5,668	1,537	4,131	27 12%
30	Unamortized ITC (4230)	2,519	692	1,827	27 48%
31	Customer Deposits (4040)	430	118	312	27 48%
32	Leases and Leasehold Improvements (net) (2681, 2682)	-	-	-	0 00%
33	RTB Stock (14021)	22,000	6,045	15,955	27 48%
34	Accumulated Deferred Income Taxes (4340,4361,1437	5,254	1,444	3,810	27 48%
35	Preferred & Common Stock (4510)	20,000	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
36	Additional Paid In Capital (4520)	1,601,290	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
37	Retained Earnings (4550)	2,748,323	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
38	Long Term Debt (4210 to 4270) + 4050	1,562,180	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Humphreys County Telephone
Month Ending June 30, 2004

Ln No	Item (a)	Total Company YTD (b)	Interstate YTD (c)	Intrastate YTD (d)	Interstate % (e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 176,731	$ -	$ 176,731	
2	Interstate Access (5081-5083)	186,027	186,027	-	
3	Interstate USF (50821)	90,126	-	90,126	
4	Intrastate Access (508421-50847)	377,976	-	377,976	
5	Long Distance Revenues (5100 - 5169)	-	-	-	
6	Miscellaneous Revenues (523-5269)	10,701	-	10,701	
7	B&C (5270)	24,066	4,729	19,337	
8	Uncollectible Revenues (5300)	2,300	-	2,300	
9	Total Operating Revenues (L1 to L8)	$ 867,926	$ 190,756	$ 677,170	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 86,464	$ 25,408	$ 61,056	29 39%
11	Plt Non Spec Expense (6510 to 6540)	76,039	21,772	54,266	28 63%
12	Depreciation & Amortization (6560)	153,058	44,753	108,305	29 24%
13	Customer Operation Expense (6600)	111,783	30,142	81,641	26 97%
14	Corporate Operation Expense (6700)	98,766	27,585	71,181	27 93%
15	Other Operating Taxes (7240)	27,408	7,946	19,462	28 99%
16	Federal Income Taxes (7220 and 72501)	94,296	9,930	84,366	
17	State Income Taxes (7230 and 72502)	19,547	(227)	19,774	
18	Total Operating Expenses (L10 to L17)	$ 667,361	$ 167,310	$ 500,052	
19	Net Operating Income (L9 less L18)	$ 200,565	$ 23,446	$ 177,119	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	18,898	-	18,898	
21	Interest Expense (7510 to 7540)	51,375	-	51,375	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	14,785	-	14,785	
24	Net Income	$ 182,872	$ 23,446	$ 159,427	

Ln No	Selected Balance Sheet Items	12 Mth Average	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 4,579,716	$ 1,311,324	$ 3,268,392	28 63%
26	Depreciation Reserve (3100-3120)	2,551,310	747,779	1,803,530	29 31%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	71,853	20,574	51,279	28 63%
29	Materials & Supplies (1220)	6,626	1,797	4,829	27 12%
30	Unamortized ITC (4230)	5,373	1,476	3,897	27 48%
31	Customer Deposits (4040)	421	116	305	27 48%
32	Leases and Leasehold Improvements (net) (2681, 2682)	-	-	-	0 00%
33	RTB Stock (14021)	22,000	6,045	15,955	27 48%
34	Accumulated Deferred Income Taxes (4340,4361,1437	37,113	10,197	26,916	27 48%
35	Preferred & Common Stock (4510)	20,000	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
36	Additional Paid In Capital (4520)	1,601,290	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
37	Retained Earnings (4550)	2,497,928	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
38	Long Term Debt (4210 to 4270) + 4050	1,575,520	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Humphreys County Telephone
Month Ending June 30, 2004

Ln No	Item (a)	Total Company 12 Month (b)	Interstate 12 Month (c)	Intrastate 12 Month (d)	Interstate % (e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 343,109	$ -	$ 343,109	
2	Interstate Access (5081-5083)	386,843	386,843	-	
3	Interstate USF (50821)	180,214	-	180,214	
4	Intrastate Access (508421-50847)	959,944	-	959,944	
5	Long Distance Revenues (5100 - 5169)	(220,087)	-	(220,087)	
6	Miscellaneous Revenues (523-5269)	21,216	-	21,216	
7	B&C (5270)	57,349	10,284	47,066	
8	Uncollectible Revenues (5300)	10,268	-	10,268	
9	Total Operating Revenues (L1 to L8)	$ 1,738,856	$ 397,127	$ 1,341,730	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 164,745	$ 48,412	$ 116,333	29 39%
11	Plt Non Spec Expense (6510 to 6540)	156,302	44,754	111,547	28 63%
12	Depreciation & Amortization (6560)	309,515	90,499	219,016	29 24%
13	Customer Operation Expense (6600)	233,292	62,907	170,385	26 97%
14	Corporate Operation Expense (6700)	200,813	56,087	144,726	27 93%
15	Other Operating Taxes (7240)	46,213	13,398	32,815	28 99%
16	Federal Income Taxes (7220 and 72501)	189,591	26,575	163,016	
17	State Income Taxes (7230 and 72502)	44,546	5,086	39,460	
18	Total Operating Expenses (L10 to L17)	$ 1,345,017	$ 347,719	$ 997,299	
19	Net Operating Income (L9 less L18)	$ 393,839	$ 49,408	$ 344,431	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	35,986	-	35,986	
21	Interest Expense (7510 to 7540)	103,835	-	103,835	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	38,924	-	38,924	
24	Net Income	$ 364,914	$ 49,408	$ 315,506	

Ln No	Selected Balance Sheet Items	12 Mth Average	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 4,579,716	$ 1,311,324	$ 3,268,392	28 63%
26	Depreciation Reserve (3100-3120)	2,551,310	747,779	1,803,530	29 31%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	71,853	20,574	51,279	28 63%
29	Materials & Supplies (1220)	6,626	1,797	4,829	27 12%
30	Unamortized ITC (4230)	5,373	1,476	3,897	27 48%
31	Customer Deposits (4040)	421	116	305	27 48%
32	Leases and Leasehold Improvements (net) (2681, 2682)	-		-	0 00%
33	RTB Stock (14021)	22,000	6,045	15,955	27 48%
34	Accumulated Deferred Income Taxes (4340,4361,1437	37,113	10,197	26,916	27 48%
35	Preferred & Common Stock (4510)	20,000	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
36	Additional Paid In Capital (4520)	1,601,290	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
37	Retained Earnings (4550)	2,497,928	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
38	Long Term Debt (4210 to 4270) + 4050	1,575,520	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Humphreys County Telephone
Month Ending June 30, 2004

TENNESSEE INTRASTATE SUPPLEMENTAL FINANCIAL DATA TO PSC-3 01 FOR

Ln No.	SELECTED BALANCE SHEET ITEMS (a)	Average Monthly Balance	Average 12 Months To Date	Average 12 Months To Date
1	Plant In Service	$ 3,277,116	$ 3,268,392	$ 3,268,392
2	Plant Under Construction	105,428	51,279	51,279
3	Plant Held for Future Use(Net)	-	-	-
4	Materials & Supplies	4,310	4,829	4,829
5	Capital Leases (Net)	-	-	-
6	Working Capital (45 Days)	70,379	71,901	71,901
7	RTB Stock	15,955	15,955	15,955
8	Total Additions	$ 3,473,189	$ 3,412,357	$ 3,412,357
	LESS·			
9	Accumulated Depreciation	1,915,557	1,803,530	1,803,530
10	Accumulated Deferred Taxes- Accelerated Depreciation & Cost of Removal	5,837	26,916	26,916
11	Unamortized ITC	2,729	5,373	5,373
12	Customer Deposits	430	421	421
13	Total Reductions	$ 1,924,553	$ 1,836,240	$ 1,836,240
14	Rate Base	$ 1,548,636	$ 1,576,117	$ 1,576,117
15	Alternative Net Operating Income	$ 31,030	$ 176,430	$ 343,259
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Alternative Net Operating Income	$ 31,030	$ 176,430	$ 343,259
26	Return on Rate Base	24 04%	22.39%	21 78%

MONTHLY REPORT OF TENNESSEE REVENUES EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Humphreys County Telephone

Income Tax Calculation
Month Ending June 30, 2004

	Amount for the Month			year-to-date			12 Months-To-Date		
	Combined (a)	Interstate (b)	Intrastate (c)	Combined (d)	Interstate (e)	Intrastate (f)	Combined (g)	Interstate (h)	Intrastate (i)
1 Operating Revenues Per Books	$ 139,650	$ 25,419	$ 114,231	$ 867,926	$ 190,756	$ 677,170	$ 1,738,856	$ 397,127	$ 1,341,730
2 Plant Specific Expense	$ 13,188	$ 3,876	$ 9,313	$ 86,464	$ 25,408	$ 61,056	$ 164,745	$ 48,412	$ 116,333
3 Plt Non Spec Expense	11,680	3,344	8,336	76,039	21,772	54,266	156,302	44,754	111,547
4 Depreciation & Amortization	25,031	7,319	17,712	153,058	44,753	108,305	309,515	90,499	219,016
5 Customer Operation Expense	16,487	4,446	12,041	111,783	30,142	81,641	233,292	62,907	170,385
6 Corporate Operation Expense	18,440	5,150	13,290	98,766	27,585	71,181	200,813	56,087	144,726
7a Other Operating Taxes (Prop & Franchise)	$ 5,270	$ 1,528	$ 3,742	$ 25,033	$ 7,258	$ 17,775	$ 42,169	$ 12,226	$ 29,943
7b Other Operating Taxes (PSC Fee & Gross Receipts)	278		278	2,375		2,375	4,045		4,045
7 Total Other Operating Taxes	$ 5,548	$ 1,528	$ 4,020	$ 27,408	$ 7,258	$ 20,151	$ 46,213	$ 12,226	$ 33,987
8 Total Operating Exp Before Inc Taxes	$ 90,375	$ 25,663	$ 64,712	$ 553,518	$ 156,919	$ 396,600	$ 1,110,880	$ 314,885	$ 795,995
9 NOI Before Income Taxes	$ 49,274	$ (244)	$ 49,518	$ 314,408	$ 33,837	$ 280,570	$ 627,976	$ 82,241	$ 545,735
10 Flow-thru Sch M	$ 27	8	$ 19	$ 163	47	$ 116	325	93	$ 232
11 Deferred Sch M	6,898	1,975	4,923	41,385	11,850	29,535	82,770	23,700	59,070
12 Allocated Interest	8,441	6,188	2,253	51,375	36,938	14,437	103,835	74,960	28,875
13 State Excise Taxable Amount (L9+L10+L11-L12)	$ 47,758	$ (4,449)	$ 52,207	$ 304,580	$ 8,796	$ 295,784	$ 607,236	$ 31,074	$ 576,162
14 State Excise Tax @ 6 00%	$ 2,865	$ (267)	$ 3,132	$ 18,275	$ 528	$ 17,747	$ 36,434	$ 1,864	$ 34,570
15 State Deferred Tax (L11*6 0%)	414	118	295	2,483	711	1,772	4,966	1,422	3,544
16 Excess (Insufficient) Deferred Taxes	60	17	43	357	102	255	1,886	540	1,346
17 Net SIT (L14+L15+L16)	$ 3,339	$ (131)	$ 3,471	$ 21,115	$ 1,341	$ 19,774	$ 43,286	$ 3,826	$ 39,460
18 FIT Taxable Amount (L9+L10+L12-L17)	$ 37,521	$ (6,293)	$ 43,814	$ 242,080	$ (4,395)	$ 246,475	$ 481,180	$ 3,548	$ 477,632
19 FIT Gross @ 35%	$ 13,132	$ (2,203)	$ 15,335	$ 84,728	$ (1,538)	$ 86,266	$ 168,413	$ 1,242	$ 167,171
20 ITC Amortization	(420)	(120)	(300)	(2,520)	(722)	(1,798)	(5,070)	(1,452)	(3,618)
21 Deferred (Excess) Write-back	(24)	(7)	(17)	(142)	(41)	(101)	(752)	(215)	(537)
22 Net FIT	$ 12,688	$ (2,330)	$ 15,018	$ 82,066	$ (2,300)	$ 84,366	$ 162,591	$ (425)	$ 163,016
23 Alternative NOI (L9-L17-L22)	$ 33,247	$ 2,217	$ 31,030	$ 211,227	$ 34,797	$ 176,430	$ 422,099	$ 78,840	$ 343,259

MONTHLY REPORT OF TENNESSEE REVENUES EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Humphreys County Telephone
Month Ending June 30, 2004

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

Ln No	TYPE OF SERVICE (a)	RESIDENCE (b)	BUSINESS (c)	TOTAL (d)
1	1 party	1,497	509	2,006
2	2 party			-
3	4 party			-
4	Multi party			-
5	Other			-
6	Total	1,497	509	2,006

INSTRUCTIONS

1. This report is required of telephone companies which had operating revenues for the preceding year in excess of $1,500,000 as provided in the Commission's rules Prepare on a typewriter and file within 60 days after the end of the calendar month covered by the report. Show amounts adjusted to the nearest thousand dollars unless directed otherwise.
2. If Tennessee data is not available for multistate companies, include total company operations under the combined columns and note that the data represents total company
3. If any amount for the current month differs materially from that for the previous month a year age and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks".
4. Average for the 12 Months To Date shall be computed on an average monthly balance basis.

REMARKS

I certify to the best of my knowledge and belief this is a true and correct report:

Date 7-21, 2004 (Signed) Bruce H. Mottern

Title. Director Revenue and Earnings

TDS Telecom - South Central Region
P. O. Box 22995
Knoxville, Tennessee 37932

Name of Contact Concerning This Report. Bruce H. Mottern

Phone Number of Contact (865) 671-4753

Humphreys County Telephone

TENNESSEE INTRASTATE SUPPLEMENTAL FINANCIAL
ALTERNATIVE RATE OF RETURN CALCULATION
DATA TO PSC-3 01 FOR
Month Ending June 30, 2004

DESCRIPTION	PERCENT	MONTHLY AVERAGE	COST OF CAPITAL	WEIGHTED COST	PERCENT	YTD 12 MOS AVERAGE	COST OF CAPITAL	WEIGHTED COST	PERCENT	12 MOS AVERAGE	COST OF CAPITAL	WEIGHTED COST
1 EQUITY	73 36%	$ 4,369,613	12 50%	9 17%	72 05%	4,119,219	12 50%	9 01%	72 05%	4,119,219	12 50%	9 01%
2 LONG AND SHORT TERM DEBT	26 64%	1,586,603	6 55%	1 75%	27 95%	1,598,080	6 55%	1 83%	27 95%	1,598,080	6 55%	1 83%
3 TOTAL CAPITALIZATION		$ 5,956,217		10 92%		5,717,298		10 84%		5,717,298		10 84%
4 RATE BASE		$ 1,548,636				$ 1,576,117				$ 1,576,117		
5 EQUITY RATE BASE	73 36%	$ 1,136,114			72 05%	$ 1,135,566			72 05%	$ 1,135,566		
6 FUNDED DEBT RATE BASE	26 64%	412,522			27 95%	440,551			27 95%	440,551		
		$ 1,548,636				$ 1,576,117				$ 1,576,117		
7 FUNDED DEBT RATE BASE		$ 412,522				$ 440,551				$ 440,551		
8 COST OF FUNDED DEBT		6 55%				6 55%				6 55%		
9 INTEREST EXPENSE(OPERATING)		$ 2,253				$ 14,437				$ 28,875		
10 INCOME AVAILABLE FOR RETURN		$ 31,030				$ 176,430				$ 343,259		
11 REGULATED NET INCOME (L10 - L9)		$ 28,777				$ 161,993				$ 314,384		
12 EARNED RETURN ON REGULATED EQUITY (L11/L 5)		30 39%				28 53%				27 69%		

QUARTERLY REPORT OF REVENUES, EXPENSES AND INVESTMENTS-TELEPHONE COMPANIES

Company Name: Loretto Telephone Company, Inc
Quarter Ending: 31-Mar-04

Income Statement Item (a)	Amount For This Quarter This Year (b)	Amount For This Quarter Last Year (c)	Year-To-Date This Year (d)	Year-To-Date Last Year (e)	12 Months-To-Date This Year (f)	12 Months-To-Date Last Year (g)
Operating Revenues						
1 Local Revenues (5000 to 5069)	$448,735	$429,768	$448,735	$429,768	$1,758,715	$1,710,711
2a Access Revenues-Interstate (5080 to 5084)	$514,456	$346,377	$514,456	$346,377	$1,760,364	$1,662,475
2b Access Revenues-Intrastate (5080 to 5084)	$227,655	$435,012	$227,655	$435,012	$1,245,142	$1,417,085
3 Long Distance Revenues (5100 to 5169)	$0	$0	$0	$0	$0	$0
4a Miscellaneous Revenues-Interstate (5200 to 5280).	$19,735	$11,317	$19,735	$11,317	$67,588	$48,485
4b Miscellaneous Revenues-Intrastate (5200 to 5280)	$31,519	$46,272	$31,519	$46,272	$273,639	$189,366
5 Uncollectible Revenues (5300 to 5302)	$291	($400)	$291	($400)	$842	$8,848
6 Total Operating Revenues (L1 to L4 less L5)	$1,241,809	$1,269,146	$1,241,809	$1,269,146	$5,104,606	$5,019,274
Operating Expenses						
7 Plant Specific Expenses (6110 to 6441)	$239,631	$245,630	$239,631	$245,630	$926,012	$955,471
8 Plant NonSpecific Expenses (6510 to 6540)	$88,900	$80,947	$88,900	$80,947	$328,310	$335,447
9 Depreciation & Amortization (6560 to 6565)	$203,474	$192,275	$203,474	$192,275	$796,513	$774,845
10 Customer Operations Expense (6610 to 6623)	$53,763	$57,995	$53,763	$57,995	$238,782	$235,921
11 Corporate Operations Expense (6710 to 6790)	$265,337	$263,115	$265,337	$263,115	$1,011,911	$1,073,585
12 Other Operating Taxes (7230 & 7240)	$53,520	$55,780	$53,520	$55,780	$195,848	$205,955
13 Federal Income Taxes(7210, 7220 and 7250)	$112,264	$75,650	$112,264	$75,650	$551,009	$375,386
14 Total Operating Expenses (L7 to L13)	$1,016,889	$971,392	$1,016,889	$971,392	$4,048,385	$3,956,610
15 Net Operating Income (l6 minus L14)	$224,920	$297,754	$224,920	$297,754	$1,056,221	$1,062,664
16 Nonoperating Inc (7310 to 7370)-(7410 to 7450)	$1,162	$6,337	$1,162	$6,337	$48,435	($1,387)
17 Interest Expense (7510 to 7540)	$62,443	$67,002	$62,443	$67,002	$264,649	$288,508
18 Extraordinary Items (7610 to 7640)	$0	$0	$0	$0	$0	$0
19 Net Income	$163,639	$237,089	$163,639	$237,089	$840,007	$772,769

Selected Balance Sheet Items	Balance End of Quarter This Year (h)	Balance End of Quarter Last Year (i)	Average 12 M-T-D This Year (j)	Average 12 M-T-D Last Year (k)
21 Plant in Service (2110 to 2690)	$15,007,122	$14,517,963	$14,763,452	$14,118,686
22 Property Held for Future Use (2002)	$0	$0	$0	$0
23 Plant Under Construction (2003 to 2004)	$6,906	$16,247	$38,017	$410,277
24 Plant Acquisition Adjustment (2005)	$0	$0	$0	$0
25 Materials & Supplies (1220)	$46,222	$51,362	$48,805	$52,552
26 Depreciation Reserve (3100 to 3600 less 3300)	$7,559,876	$7,012,821	$7,300,608	$6,760,407
27 Unamortized Investment Tax Credit (4320)	$0	$0	$0	$0
28 Accumulated Deferred Income Taxes (4340)	$0	$0	$0	$0
29 Preferred Stock (4510)	$28	$28	$28	$28
30 Common Stock (4510)	$4	$4	$4	$4
31 Additional Paid in Capital (4520)	$35,368	$35,368	$35,368	$35,368
32 Retained Earnings (4550)	$4,761,541	$4,152,750	$4,448,854	$3,828,765
33 Long Term Debt (4210 to 4270)	$4,373,323	$4,779,541	$4,594,466	$4,953,188

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TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.02

Line #	FOR THE QUARTER ENDED	31-Mar-04 Average Quarterly Balance	Average for 12 MTD
	Additions:		
1	Plant in Service	$14,951,635	$14,763,452
2	Plant Under Construction	$4,122	$38,017
3	Property Held For Future Use	$0	$0
4	Materials & Supplies	$48,753	$48,805
	Other Additions (Itemize)		
5	Working Capital	$208,690	$210,180
6	RTB Stock	$715,323	$689,330
7			
8	**Total Additions**	$15,928,523	$15,749,784
	Deductions		
9	Accumulated Depreciation	$7,490,321	$7,300,608
10	Accumulated Deferred Income Taxes	$20,028	$25,871
11	Unamortized Investment Credit-Pre 1971	$0	$0
12	Customer Deposits	$67,775	$67,153
	Other Deductions (Itemize)		
13			
14			
15			
16	**Total Deductions**	$7,578,124	$7,393,632
17	**Rate Base**	$8,350,399	$8,356,152
18	**Net Operating Income (NOI)**	$899,680	$1,056,221
	Adjustments to NOI (Itemize)		
	Interstate B & C Revenue	($7,987)	($36,059)
19	**Effects of Extraordinary Items Removed:**		
24	**Adjusted Net Operating Income**	$891,693	$1,020,162
25	**Rate Of Return (L24/L17)**	10 68%	12 21%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this company

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

	Type of Service (a)	Residence (b)	Business (c)	Total (d)
34	1 Party	5,287	759	6,046
35	2 Party			
36	4 Party			
37	Multi Party			
38	Other Paystations		35	35
39	Total	5,287	794	6,081

INSTRUCTIONS

1 This report is required of telephone companies which had operating revenues for the preceeding year of $1,500,000 or less as provided in the Commission's rules Prepare on a typewriter and file within 60 days after the end of the quarter covered by the report Show amount adjusted to the nearest dollar unless directed otherwise

2 If any amount for the current quarter differs materially from that for the previous quarter a year ago and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks"

3 Average for the 12 Months-To-Date shall be computed on an average quarterly balance basis

REMARKS

certify that to the best of my knowledge and belief this is a true and correct report

Date 6/7/04

Signed Louise Brown, President

Title President

Address 136 S Main St
Loretto, Tennessee 38469

Name of Contact Concerning This Report Desda Hutchins

Phone Number of Contact (931) 853-5000 ext 128

Millington Telephone Co., Inc.
Supplemental Financial Data to PSC 3.01
For the Month of June 30, 2004

01-5081-0000-00	FCC END USER CHARGE	$182,350
01-5081-1000-00	FCC END USER-LIFELINE ADJ	357
01-5081-1200-00	FCC FUSC ENDUSER CHARGE	18,827
01-5081-1300-00	LIFELINE ADJ FUSC	(274)
01-5081-3200-00	FUSC INTERSTATE-DSL	
01-5081-4200-00	ISDN LINE PORT	421
01-5082-0000-00	INTERLATA INTERSTATE SWITCHED	94,151
01-5082-0001-00	SW ACC REV INTER-UNAUTHORIZED PIC CHARGE	
01-5082-0002-00	SW ACC REV INTERSTATE DSL	28,739
01-5082-1000-00	INTERLATA INTERSTATE SPECIAL	93,526
01-5082-2000-00	NECA TARIFF-COST BALANCING INTER	66,551
01-5082-3000-00	INTRALATA INTERSTATE SWITCHED	(965)
01-5082-4000-00	HIGH COST LOOP FUND INTERSTATE	49,451
01-5082-5000-00	INTERSTATE TRUE-UP PRIOR YEAR	
01-5082-6000-00	INTERSTATE CCL BILLING	
01-5083-0000-00	INTRALATA INTERSTATE SPECIAL	
01-5083-3200-00	SPL ACCESS FUSC INTERSTATE	69
01-5084-0000-00	INTERLATA INTRASTATE SWITCHED	27,883
01-5084-1000-00	INTRALATA INTRASTATE SPECIAL	5,296
01-5084-2000-00	INTRALATA INTRASTATE WATS	
01-5084-3000-00	INTERLATA INTRASTATE SPECIAL	6,465
01-5084-3200-00	SPL ACCESS FUSC INTRASTATE	
01-5084-4000-00	INTRALATA INTRASTATE SPECIAL	70,896
01-5084-5000-00	INTRALATA RESIDUAL SHARE	
01-5084-6000-00	INTRALATA INTRA SPECIAL ACCESS 911	
	TOTAL NETWORK ACCESS REVENUES	643,743

MILLINGTON TELEPHONE CO , INC
SUPPLEMENTAL FINANCIAL DATA TO PSC 3 01
FOR MONTH ENDED
JUNE 30, 2004

	AVERAGE MONTHLY BALANCE	AVERAGE YTD BALANCE	AVERAGE FOR 12MTD BALANCE
ADDITIONS			
1 PLANT IN SERVICE	51,805,023	51,067,566	50,985,656
2 PLANT UNDER CONSTRUCTION	1,639,394	1,421,944	1,382,985
3 PROPERTY HELD FOR FUTURE USE	0	0	0
4 MATERIALS & SUPPLIES	884,128	803,505	790,961
OTHER ADDITIONS (ITEMIZE)			
5 AVERAGE CASH	1,103,321	923,760	904,640
6 RTB STOCK	478,750	478,750	478,750
7	0	0	0
8 TOTAL ADDITIONS	55,910,615	54,695,524	54,542,992
DEDUCTIONS			
9 ACCUMULATED DEPRECIATION	29,054,480	28,084,390	27,974,855
10 ACCUMULATED DEFERRED INCOME TAXES	98,636	152,152	228,706
11 UNAMORTIZED INVESTMENT CREDIT -PRE 1971	0	0	0
12 CUSTOMER DEPOSITS	296,524	311,545	311,393
OTHER DEDUCTIONS (ITEMIZE)			
13 ACCOUNTS PAYABLE APPLICABLE TO MATERIALS & SUPPLIES	13,600	13,600	13,600
14 DEFERRED REVENUE PER PSC ORDER 93-08614	615,136	615,136	615,136
15	0	0	0
16 TOTAL DEDUCTIONS	30,078,376	29,176,823	29,143,690
17 RATE BASE	25,832,240	25,518,701	25,399,302
18 NET OPERATING INCOME (NOI)	335,725	1,431,200	1,892,636
ADJUSTMENTS TO NOI (ITEMIZE)			
19			
20 INTEREST ON CUSTOMER DEPOSITS	666	6,352	659
21 INTEREST ON DEF REVENUE	718	4,306	8,613
22	0	0	0
23	0	0	0
24 ADJUSTED NET OPERATING INCOME	334,341	1,420,542	1,883,364
25 RATE OF RETURN (L24/17)	15 53%	2 78%	7 42%

ALL AMOUNTS SHOULD BE CALCULATED IN A MANNER CONSISTENT WITH THE LAST RATE ORDER ISSUED BY THE COMMISSION FOR THIS COMPANY

*Note (Instructions per Paul Green, TRA, Feb 1997)
Column (a), line 18, Use current month's net operating income from Form PSCMO, column (b), line 15
Column (b), line 18, Use Year-To-Date net operating income on Form PSCMO, column (e), line 15
Column (b), line 20, use sum of actual months, year-to-date
Column (b), line 25, Rate of Return, Line 24 divided by line 17 by months year-to-date times 12 to annualize
Column (c), line 18, use 12 months-to-date net operating income on Form PSCMO,column (h), line 15
Line 19 deleted per Roger Knight of TRA on 11/9/99

MILLINGTON TELEPHONE COMPANY, INC
For The Penod Ending
6/30/2004

ITEM (A)	AMOUNT FOR THE MONTH COMBINED (B)	NTERSTATE (C)	NTRASTAT (D)	YEAR-TO-DATE COMBINED (E)	INTERSTATE (F)	INTRASTATE (G)	12 MONTHS-TO-DATE COMBINED (H)	INTERSTATE (I)	INTRASTATE (J)
OPERATING REVENUES									
1 LOCAL REVENUES (5000 TO 5069)	695,202	0	695,203	4,178,551	0	4,178,550	8,373,271	0	8,373,271
2 ACCESS REVENUES (5080 TO 5084)	643,742	533,203	110,540	3,974,420	3,281,504	692,918	7,919,023	6,451,829	1,467,201
3 LONG DISTANCE REVENUES (5100 TO 51	953	-81	1,034	4,180	345	3,835	17,284	1,021	16,265
4 MISCELLANEOUS REVENUES (5200 TO 52	62,558	6,593	55,965	411,609	36,327	375,282	832,529	74,507	758,023
5 UNCOLLECTIBLE REVENUES (5300 TO 53	2,735	1,053	1,682	16,598	6,427	10,171	144,824	55,146	89,678
6 TOTAL OPERATING REVENUES (L1 TO L4	**1,399,720**	**538,662**	**861,060**	**8,552,162**	**3,311,749**	**5,240,414**	**16,997,283**	**6,472,211**	**10,525,082**
7 PLANT SPECIFIC EXPENSES (6112 TO 644	395,778			2,388,971			5,388,225		
8 PLANT NON-SPECIFIC EXPENSES (6510 T	142,424			748,590			1,854,390		
9 DEPRECIATION & AMORTIZATION (6560 T	273,815			1,632,022			3,192,345		
10 CUSTOMER OPERATIONS EXPENSE (661	139,328			773,892			1,935,059		
11 CORPORATE OPERATIONS EXPENSE (6	137,555			969,367			2,105,785		
12 OTHER OPERATING TAXES (7230 & 7240)	-158,670			172,346			387,905		
13 FEDERAL INCOME TAXES (7210, 7220 & 7	133,765			435,774			240,938		
14. TOTAL OPERATING EXPENSES (L7 TO L1	**1,063,995**			**7,120,962**			**15,104,647**		
15 NET OPERATING INCOME (L6 MINUS L14)	**335,725**			**1,431,200**			**1,892,636**		
16 NON-OPERATING INCOM. (7310 TO 7370)	**-14,808**			**-109,422**			**-242,078**		
17 INTEREST EXPENSE (7510 TO 7540)	**109,587**			**618,531**			**1,216,525**		
18. EXTRAORDINARY ITEMS (7610 TO 7640)	**0**						**1,929**		
19. NONREGULATED INCOME ITEMS (7990)	**-10,869**			**-76,595**			**-337,039**		
20. NET INCOME	**200,461**			**626,652**			**96,994**		

SELECTED BALANCE SHEET ITEMS	BALANCE END OF MONTH COMBINED (K)	NTERSTATE (L)	NTRASTAT (M)	AVERAGE 12 M-T-D COMBINED (N)	INTERSTATE (O)	INTRASTATE (P)
21 PLANT IN SERVICE (2110 TO 2690)	54,977,753			54,141,305		
22 PROPERTY HELD FOR FUTURE USE (200	0			0		
23 PLANT UNDER CONSTRUCTION (2003 TO	1,462,224			1,332,128		
24 PLANT ACQUISITION ADJUSTMENT (2005	0			0		
25 MATERIALS & SUPPLIES (1220)	559,526			598,373		
26 DEPRECIATION RESERVE (3100 TO 3600	32,076,566			30,824,877		
27 UNAMORTIZED INVESTMENT TAX CREDI	0			0		
28 ACCUMULATED DEFERRED INCOME TAX	235,138			212,623		
29 PREFERRED STOCK (4510)	10,000			10,000		
30 COMMON STOCK (4510)	49,600			49,600		
31 ADDITIONAL PAID IN CAPITAL(4520)	0			0		
32 RETAINED EARNINGS (4550)	4,329,007			4,629,851		
33 LONG TERM DEBT (4210 TO 4270)	19,472,625			19,927,013		

TRAMO

Millington Telephone Co , Inc. Selected Balance Sheet Items 12 Month Moving Averages

ITEM A	July 2003	August 2003	September 2003	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004	April 2004	May 2004	June 2004	12-Month To-Date
OPERATING REVENUES													
1 LOCAL REVENUES	739,874	694,846	692,611	695,335	694,475	677,580	690,424	695,375	696,487	701,066	699,996	695,202	8,373,271
2 ACCESS REVENUES	657,960	693,568	619,384	659,416	660,926	653,350	656,280	511,176	805,671	677,156	680,394	643,742	7,919,023
3 LONG DISTANCE REVENUES	1,703	1,702	16,714	13,213	10,440	-30,668	-1,074	810	1,304	847	1,340	953	17,284
4 MISCELLANEOUS REVENUES	67,236	66,967	65,544	65,419	90,553	65,202	62,521	62,330	62,475	101,702	60,022	62,558	832,529
5 UNCOLLECTABLE REVENUES	-3,373	-3,370	-3,330	-3,438	-3,326	-111,389	-2,746	-2,769	-2,784	-2,793	-2,771	-2,735	-144,824
6 TOTAL OPERATING REVENUES	1,463,400	1,453,713	1,390,923	1,429,945	1,453,068	1,254,075	1,405,405	1,266,922	1,563,153	1,477,978	1,438,981	1,399,720	16,997,283
OPERATING EXPENSES													
7 PLANT SPECIFIC EXPENSES	367,503	398,584	700,118	428,274	391,475	715,299	345,313	402,693	440,583	421,254	383,351	395,778	5,388,225
8 PLANT NON-SPECIFIC EXPENSES	156,513	155,401	123,507	149,900	123,100	397,380	84,453	122,241	132,435	145,202	121,834	142,424	1,854,390
9 DEPRECIATION & AMORTIZATION	257,219	257,513	259,321	259,509	259,678	267,084	270,768	271,107	271,107	272,353	272,871	273,815	3,192,345
10 CUSTOMER OPERATIONS EXPENSE	127,504	150,430	156,145	150,512	126,231	450,346	95,396	131,332	129,134	157,968	120,733	139,328	1,935,059
11 CORPORATE OPERATIONS EXPENSE	136,455	186,161	135,327	169,837	139,067	369,572	171,526	186,215	161,238	159,235	153,597	137,555	2,105,785
12 OTHER OPERATING TAXES	69,386	69,386	69,386	69,386	69,386	-131,370	52,478	52,478	127,478	48,103	52,478	-158,670	387,905
13 FEDERAL INCOME TAXES	83,336	44,637	-52,291	34,168	82,838	-387,524	114,756	52 109	-5,878	51,368	89,654	133,765	240,938
14 TOTAL OPERATING EXPENSES	1,197,916	1,260,112	1,391,513	1,261,586	1,191,775	1,680,787	1,134,690	1,218,175	1,256,097	1,253,483	1,194,518	1,063,995	15,104,647
15 NET OPERATING INCOME	265,484	193,601	-590	168,359	261,293	-426,712	270,715	48,747	307,056	224,495	244,463	335,725	1,892,636

Selected Balance Sheet Items	July 2003	August 2003	September 2003	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004	April 2004	May 2004	June 2004	12-MONTH
21 PLANT IN SERVICE	53,981,275	54,308,543	54,346,594	54,421,740	54,611,899	54,942,120	54,977,753	55,057,851	55,165,041	55,287,291	55,312,371	55,602,162	54,834,553
22 PROPERTY HELD/FUTURE USE	0	0	0	0	0	0	0	0	0	0	0	0	0
23 PLANT UNDER CONSTRUCTION	1,459,500	1,234,680	1,350,049	1,368,475	1,388,123	1,313,868	1,462,224	1,457,467	1,543,263	1,652,520	1,804,087	2,105,425	1,509,973
24 PLANT ACQUISITION ADJUST	0	0	0	0	0	0	0	0	0	0	0	0	0
25 MATERIALS & SUPPLIES	628,054	595,246	633,630	630,251	631,796	546,850	559,526	554,768	555,710	565,569	607,120	608,510	593,086
26 DEPRECIATION RESERVE	30,688,637	30,864,861	31,122,403	31,368,871	31,616,555	31,810,837	32,076,566	32,306,371	32,501,299	32,790,746	32,986,447	33,257,473	31 949,256
27 UNAMORT INVESTMENT TAX CR	0	0	0	0	0	0	0	0	0	0	0	0	0
28 ACCUM DEFERRED INCOME TAX	196,229	292,724	212,564	328,084	339,912	189,889	235,138	232,711	188,799	212,120	260,474	307,580	249,685
29 PREFERRED STOCK	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
30 COMMON STOCK	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600
31 ADDN'L PAID IN CAPITAL	0	0	0	0	0	0	0	0	0	0	0	0	0
32 RETAINED EARNINGS	4,855,280	4,966,362	4,854,114	4,884,441	5,019,542	4,188,589	4,329,007	4,200,738	4,362,541	4,458,086	4,614,778	4,814,939	4,629,035
33 LONG TERM DEBT	19,975,842	19,781,308	19,754,754	19,875,720	19,706,243	19,587,376	19,472,625	19,266,592	19,180,617	19,061,703	18,999,748	18,905,983	19,464,043

MILLINGTON TELEPHONE COMPANY, INC.

ACCESS LINE AND SERVICE DATE FOR ALL EXCHANGES IN TENNESSEE

MONTH OF JUNE 30, 2004

	TYPE OF SERVICE	RESIDENCE	BUSINESS	TOTAL
	(A)	(B)	(C)	(D)
34	1-PARTY	21,926	4,722	26,648
35	2-PARTY			
36	4-PARTY			
37	MULTI-PARTY			
38	OTHER			
39	TOTAL	21,926	4,722	26,648

1 THIS REPORT IS REQUIRED OF TELEPHONE COMPANIES WHICH HAD OPERATING REVENUES FOR THE PRECEDING YEAR OF $1,500,000 OR LESS AS PROVIDED IN THE COMMISSION'S RULES PREPARE ON A TYPEWRITER AND FILE WITHIN 60 DAYS AFTER THE END OF THE QUARTER COVERED BY THE REPORT SHOW AMOUNTS ADJUSTED TO THE NEAREST DOLLARS UNLESS DIRECTED OTHERWISE

2 IF ANY AMOUNT FOR THE CURRENT MONTH DIFFERS MATERIALLY FROM THAT FOR THE PREVIOUS MONTH A YEAR AGO AND THE DIFFERENCE IS NOT SELF EXPLANATORY, ANNOTATE THE AMOUNT AND EXPLAIN THE OCCASIONING FACTS UNDER "REMARKS"

3 AVERAGE FOR THE 12 MONTHS-TO-DATE SHALL BE COMPUTED ON AN AVERAGE QUARTERLY BALANCE BASIS

REMARKS

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THIS IS A TRUE AND CORRECT REPORT

DATE 7/26/2004

SIGNED Carolyn Cooper

TITLE: ACCOUNTANT

ADDRESS: 4880 NAVY RD, MILLINGTON, TN 38053

CONTACT NAME: CAROLYN COOPER

PHONE NUMBER: (901) 872-3311

Peoples Telephone Co., Inc.   April 30, 2004

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES

Company Name: Peoples Telephone Co , Inc
Month Ending: April 30, 2004

	Item (a)	Amount For The Month			Year - To - Date			12 Months-To-Date		
		Combined (b)	Interstate (c)	Intrastate (d)	Combined (e)	Interstate (f)	Intrastate (g)	Combined (h)	Interstate (i)	Intrastate (j)
	Operating Revenues									
1	Local Revenues (5000 to 5069)	52,399	0	52,399	207,220	0	207,220	601,317	0	601,317
2	Access Revenues (5080 to 5084)	312,094	194,220	117,874	1,314,661	783,768	530,894	4,132,526	2,336,186	1,796,340
3	Long Distance Revenues (5100 to 5169)	90	0	90	456	0	456	1,360	0	1,360
4	Miscellaneous Revenues (5200 to 5270)	16,928	3,794	13,134	65,090	15,847	49,243	214,192	50,284	163,908
5	Uncollectible Revenues (5300 to 5302)	215	0	215	876	0	876	16,619	13,384	3,236
6	**Total Operating Revenues (L1 to L4 less L5)**	**381,296**	**198,014**	**183,282**	**1,586,551**	**799,614**	**786,937**	**4,932,776**	**2,373,086**	**2,559,690**
	Operating Expenses									
7	Plant Specific Expenses (6110 to 6441)	78,749	15,821	62,928	287,659	57,792	229,867	837,000	168,155	668,845
8	Plant NonSpecific Expenses (6510 to 6540)	33,956	6,869	27,087	165,657	33,512	132,145	455,980	92,243	363,737
9	Depreciation & Amortization (6560 to 6565)	100,970	20,426	80,544	403,865	81,701	322,164	1,244,182	251,696	992,486
10	Customer Operations Expense (6610 to 6623)	75,458	18,970	56,488	288,233	72,461	215,772	894,030	224,759	669,271
11	Corporate Operations Expense (6710 to 6790)	63,793	16,535	47,258	258,709	67,056	191,653	792,337	205,373	586,964
12	Other Operating Taxes (7230 & 7240)	10,604	2,170	8,434	42,447	8,685	33,762	90,839	18,587	72,252
13	Federal Income Taxes (7210, 7220 and 7250)	2,823	677	2,146	41,346	9,914	31,432	199,923	47,940	151,983
14	**Total Operating Expenses (L7 to L13)**	**366,352**	**81,468**	**284,884**	**1,487,915**	**331,121**	**1,156,794**	**4,514,291**	**1,008,753**	**3,505,538**
15	**Net Operating Income (L6 minus L14)**	**14,943**	**116,546**	**(101,603)**	**98,637**	**468,493**	**(369,857)**	**418,484**	**1,364,333**	**(945,848)**
16	Nonoperating Inc (7310 to 7370)-(7410 to 7450)	10	2	8	(3,001)	(604)	(2,397)	2,861	578	2,283
17	Interest Expense (7510 to 7540)	11,912	2,399	9,513	40,363	8,129	32,234	126,181	25,412	100,769
18	Extraordinary Items (7610 to 7640)	0	0	0	0	0	0	0	0	0
19	Nonregulated Income Items	(16,297)	(3,282)	(13,015)	(61,077)	(12,301)	(48,776)	(169,713)	(34,180)	(135,533)
20	**Net Income**	**(13,256)**	**110,867**	**(124,123)**	**(5,805)**	**447,459**	**(453,264)**	**125,451**	**1,305,319**	**(1,179,867)**

	Selected Balance Sheet Items	Balance End of Month			Average 12 M-T-D		
		Combined (k)	Interstate (l)	Intrastste (m)	Combined (n)	Interstate (o)	Intrastste (p)
21	Plant in Service (2110 to 2690)	14,991,015	3,025,936	11,965,079	14,496,472	2,926,113	11,570,359
22	Property Held For Future Use (2002)	0	0	0	0	0	0
23	Plant Under Construction (2003 to 2004)	1,143,992	230,915	913,077	1,139,154	229,938	909,216
24	Plant Acquisition Adjustment (2005)	0	0	0	0	0	0
25	Materials & Supplies (1220)	251,267	53,243	198,024	303,077	64,222	238,855
26	Depreciation Reserve (3100 to 3600 less 3300)	7,021,339	1,421,119	5,600,220	6,442,174	1,206,567	4,754,731
27	Unamortized Investment Tax Credit (4320)	1,807	365	1,442	3,940	795	3,145
28	Accumulated Deferred Income Taxes (4340)	1,054,782	212,855	841,927	992,547	200,296	792,251
29	Preferred Stock (4510)	0	XXXXXX	XXXXXX	0	XXXXXX	XXXXXX
30	Common Stock (4510)	127,600	XXXXXX	XXXXXX	127,600	XXXXXX	XXXXXX
31	Additional Paid In Capital (4520)	0	XXXXXX	XXXXXX	0	XXXXXX	XXXXXX
32	Retained Earnings (4550)	7,909,401	XXXXXX	XXXXXX	7,913,829	XXXXXX	XXXXXX
33	Long Term Debt (4210 to 4270)	0	XXXXXX	XXXXXX	0	XXXXXX	XXXXXX

Peoples Telephone Co., Inc. April 30, 2004

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

	Type of Service (a)	Residence (b)	Business (c)	Total (d)
34	1 Party	4,372	696	5,068
35	2 Party			0
36	4 Party			0
37	Multi Party			0
38	Other	9	371	380
39	**Total**	**4,381**	**1,067**	**5,448**

INSTRUCTIONS

1. This report is required of telephone companies which had operating revenues for the preceeding year in excess of $1,500,000 as provided in the Commission's rules. Prepare on a typewriter and file within 60 days after the end of the calendar month covered by the report. Show amounts adjusted to the nearest thousand dollars unless otherwise directed otherwise.

2. If Tennessee data is not available for multistate companies, include total company operations under the combined columns and note that the data represents total company.

3. If any amount for the current month differs materially from that for the previous month a year ago and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks".

4 Average for the 12 Months-To-Date shall be computed on an average monthly balance basis.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report.

Date 7-2-04

(Signed) Larry S. Howle

Title Separations Specialist

Address 236 E. Capital St , Jackson, MS

Name of Contact Concerning This Report Larry S.Howle

Phone Number of Contact (601) 352-0940

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.01
FOR THE MONTH ENDED April 30, 2004

Line #		Average Monthly Balance	Average Y-T-D Balance	Average for 12 M-T-D
	Additions:			
1	Plant In Service	$14,976,208	$14,969,525	$14,496,472
2	Plant Under Construction	1,149,166	1,029,861	1,139,154
3	Property Held For Future Use	0	0	0
4	Materials & Supplies	251,704	263,966	303,077
	Other Additions (Itemize):			
5	Working Capital	251,956	250,064	248,279
6				
7				
8	**Total Additions**	$16,629,034	$16,513,416	$16,186,982
	Deductions:			
9	Accumulated Depreciation	6,970,751	6,821,952	6,442,174
10	Accumulated Deferred Income Taxes	1,056,361	1,061,684	992,547
11	Unamortized Investment Credit - Pre 1971	1,897	2,165	3,940
12	Customer Deposits	8,350	9,330	10,812
	Other Deductions (Itemize).			
13	Deferred Revenue-TPSC ordered	0	0	0
14				
15				
16	**Total Deductions**	$8,037,359	$7,895,132	$7,449,472
17	**Rate Base**	$8,591,675	$8,618,285	$8,737,510
18	Net Operating Income (NOI)	14,943	98,637	418,484
	Adjustments to NOI (Itemize).			
19				
20	Less. Interest on Customer Deposits	40	171	724
21	Add: Inside Wiring (NOI)	(678)	(3,166)	(8,852)
22	Add: Parent Tax Savings	3,764	28,221	53,266
23	Less. Interstate B&C Net Income	(4,379)	(16,614)	(50,344)
24	**Adjusted Net Operating Income**	$22,368	$140,134	$512,518
25	**Rate Of Return (L24/L17)**	3.12%	4.88%	5.87%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS Estimate the effect on net operating income of very significant known changes occurring within the period covered by the report which are not fully reflected in the revenue and expense amounts shown in the report.

1.
2

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.01
NET ACCESS REVENUES BY CATEGORY
FOR THE MONTH ENDED April 30, 2004

Line #		MONTH ENDED 04/30/04	12 MONTHS ENDED 04/30/04
1	Switched:		
	A. Line Termination		
	B Local Switching 1		
	C. Local Switching 2	78,799	71,785
	D. Intercept		
	E. Directory Assistance	387	353
	F. Transport		
	1. Access Connection		
	2. Local Transport	32,426	29,612
	G Miscellaneous		8
	H. Subtotal	111,612	101,758
2	Feature Group A & B		
3	Feature Group E		-
4	Carrier Common Line	40,810	37,081
5	Billing and Collection		
	A Record		
	B. Billing Services	16,183	17,129
	C. Miscellaneous		
	D. Subtotal	16,183	17,129
6	Special Access	6,990	10,857
7	Miscellaneous (Itemize)		
	A. CMRS Reserve Pending Arbitration	(41,538)	0
	B.		
	C.		
	D. Subtotal	(41,538)	0
8	Total Intrastate Access Revenues (Total lines 1 through 7)	134,057	166,824
9	Total Interstate Access Revenues	194,220	194,682
10	Total Access Charge Revenues	$328,277	$361,506

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TELECOMMUNICATIONS DIVISION

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tellico Telephone Company
Month Ending June 30, 2004

Ln No	Item	Total Company Current Month	Interstate Current Month	Intrastate Current Month	Interstate %
	(a)	(b)	(c)	(d)	(e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 251,625	$ -	$ 251,625	
2	Interstate Access (5081-5083)	178,023	178,023	-	
3	Interstate USF (50821)	41,945		41,945	
4	Intrastate Access (508421-50847)	218,774		218,774	
5	Long Distance Revenues (5100 - 5169)	-		-	
6	Miscellaneous Revenues (523-5269)	10,713		10,713	
7	B&C (5270)	22,056	4,926	17,130	
8	Uncollectible Revenues (5300)	(2,163)		(2,163)	
9	Total Operating Revenues (L1 to L8)	$ 720,972	$ 182,949	$ 538,023	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 49,002	$ 12,631	$ 36,371	25 78%
11	Plt Non Spec Expense (6510 to 6540)	49,299	13,791	35,508	27 97%
12	Depreciation & Amortization (6560)	162,879	46,242	116,637	28 39%
13	Customer Operation Expense (6600)	97,641	27,765	69,876	28 44%
14	Corporate Operation Expense (6700)	98,176	28,638	69,537	29 17%
15	Other Operating Taxes (7240)	14,220	4,083	10,137	28 71%
16	Federal Income Taxes (7220 and 72501)	74,584	13,483	61,101	
17	State Income Taxes (7230 and 72502)	16,064	7,206	8,858	
18	Total Operating Expenses (L10 to L17)	$ 561,866	$ 153,839	$ 408,026	
19	Net Operating Income (L9 less L18)	$ 159,106	$ 29,109	$ 129,997	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	21,377	-	21,377	
21	Interest Expense (7510 to 7540)	36,116	-	36,116	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	(23,430)	-	(23,430)	
24	Net Income	$ 120,937	$ 29,109	$ 91,828	

Ln No	Selected Balance Sheet Items	Current Month	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 27,458,972	$ 7,681,338	$ 19,777,634	27 97%
26	Depreciation Reserve (3100-3120)	16,062,251	4,466,107	11,596,144	27 80%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	117,633	32,907	84,726	27 97%
29	Materials & Supplies (1220)	43,479	11,062	32,417	25 44%
30	Unamortized ITC (4230)	-	-	-	0 00%
31	Customer Deposits (4040)	1,100	311	789	28 29%
32	Leases and Leasehold Improvements (net) (2681	-	-	-	27 97%
33	RTB Stock (14021)	239,850	67,095	172,755	27 97%
34	Accumulated Deferred Income Taxes (4340,436	1,245,448	352,352	893,096	28 29%
35	Preferred & Common Stock (4510)	27,800	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
36	Additional Paid In Capital (4520)	73,726	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
37	Retained Earnings (4550)	11,528,585	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
38	Long Term Debt (4210 to 4270) + 4050	7,364,034	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Tellico Telephone Company
Month Ending June 30, 2004

Ln No	Item (a)	Total Company YTD (b)	Interstate YTD (c)	Intrastate YTD (d)	Interstate % (e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 1,512,660	$ -	$ 1,512,660	
2	Interstate Access (5081-5083)	995,923	995,923	-	
3	Interstate USF (50821)	257,775	-	257,775	
4	Intrastate Access (508421-50847)	1,054,221	-	1,054,221	
5	Long Distance Revenues (5100 - 5169)	-	-	-	
6	Miscellaneous Revenues (523-5269)	60,646	-	60,646	
7	B&C (5270)	110,099	24,356	85,743	
8	Uncollectible Revenues (5300)	(12,695)	-	(12,695)	
9	Total Operating Revenues (L1 to L8)	$ 3,978,629	$ 1,020,279	$ 2,958,349	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 293,434	$ 75,635	$ 217,799	25 78%
11	Plt Non Spec Expense (6510 to 6540)	316,300	88,481	227,819	27 97%
12	Depreciation & Amortization (6560)	978,898	277,913	700,985	28 39%
13	Customer Operation Expense (6600)	573,351	163,038	410,312	28 44%
14	Corporate Operation Expense (6700)	505,552	147,472	358,080	29 17%
15	Other Operating Taxes (7240)	78,974	22,675	56,299	28 71%
16	Federal Income Taxes (7220 and 72501)	360,154	65,132	295,022	
17	State Income Taxes (7230 and 72502)	78,804	38,714	40,090	
18	Total Operating Expenses (L10 to L17)	$ 3,185,466	$ 879,061	$ 2,306,405	
19	Net Operating Income (L9 less L18)	$ 793,163	$ 141,218	$ 651,945	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	95,202	-	95,202	
21	Interest Expense (7510 to 7540)	221,363	-	221,363	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	(64,557)	-	(64,557)	
24	Net Income	$ 602,445	$ 141,218	$ 461,227	

Ln No	Selected Balance Sheet Items	12 Mth Average	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 26,477,579	$ 7,406,805	$ 19,070,774	27 97%
26	Depreciation Reserve (3100-3120)	15,138,024	4,209,126	10,928,898	27 80%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	434,126	121,442	312,684	27 97%
29	Materials & Supplies (1220)	47,841	12,172	35,669	25 44%
30	Unamortized ITC (4230)	-	-	-	0 00%
31	Customer Deposits (4040)	1,000	283	717	28 29%
32	Leases and Leasehold Improvements (net) (2681	-	-	-	27 97%
33	RTB Stock (14021)	239,850	67,095	172,755	27 97%
34	Accumulated Deferred Income Taxes (4340,436	1,051,955	297,611	754,344	28 29%
35	Preferred & Common Stock (4510)	27,800	xxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
36	Additional Paid In Capital (4520)	73,726	xxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
37	Retained Earnings (4550)	11,253,710	xxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
38	Long Term Debt (4210 to 4270) + 4050	7,221,854	xxxxxxxxxxxxxxxxxxxxxxxxxxxxx		
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxxxx		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tellico Telephone Company
Month Ending June 30, 2004

Ln No	Item		Total Company 12 Month		Interstate 12 Month		Intrastate 12 Month	Interstate %
	(a)		(b)		(c)		(d)	(e)
	OPERATING REVENUES							
1	Local Revenues (5000 - 5069)	$	2,975,959	$	-	$	2,975,959	
2	Interstate Access (5081-5083)		2,086,681		2,086,681		-	
3	Interstate USF (50821)		521,964		-		521,964	
4	Intrastate Access (508421-50847)		3,047,211		-		3,047,211	
5	Long Distance Revenues (5100 - 5169)		(975,852)		-		(975,852)	
6	Miscellaneous Revenues (523-5269)		135,130		-		135,130	
7	B&C (5270)		252,699		48,416		204,284	
8	Uncollectible Revenues (5300)		(22,972)		-		(22,972)	
9	Total Operating Revenues (L1 to L8)	$	8,020,821	$	2,135,097	$	5,885,724	
	OPERATING EXPENSES							
10	Plt Specific Expense (6110 to 6441) + 7130	$	632,428	$	163,015	$	469,414	25 78%
11	Plt Non Spec Expense (6510 to 6540)		672,354		188,083		484,271	27 97%
12	Depreciation & Amortization (6560)		1,923,217		546,009		1,377,208	28 39%
13	Customer Operation Expense (6600)		1,152,222		327,647		824,575	28 44%
14	Corporate Operation Expense (6700)		1,163,095		339,280		823,815	29 17%
15	Other Operating Taxes (7240)		138,011		39,626		98,385	28 71%
16	Federal Income Taxes (7220 and 72501)		678,921		145,428		533,493	
17	State Income Taxes (7230 and 72502)		163,143		89,721		73,422	
18	Total Operating Expenses (L10 to L17)	$	6,523,391	$	1,838,809	$	4,684,582	
19	Net Operating Income (L9 less L18)	$	1,497,429	$	296,288	$	1,201,141	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)		190,433		-		190,433	
21	Interest Expense (7510 to 7540)		449,083		-		449,083	
22	Extraordinary Items (7610 to 7640)		-		-		-	
23	Nonregulated Income Items (7990)		(100,232)		-		(100,232)	
24	Net Income	$	1,138,547	$	296,288	$	842,259	

Ln No	Selected Balance Sheet Items		12 Mth Average		Interstate		Intrastate	Interstate %
25	Plant in Service (2100-2400)	$	26,477,579	$	7,406,805	$	19,070,774	27 97%
26	Depreciation Reserve (3100-3120)		15,138,024		4,209,126		10,928,898	27 80%
27	Property Held for Future Use (2002)		-		-		-	0 00%
28	Plant Under Construction (2003)		434,126		121,442		312,684	27 97%
29	Materials & Supplies (1220)		47,841		12,172		35,669	25 44%
30	Unamortized ITC (4230)		-		-		-	0 00%
31	Customer Deposits (4040)		1,000		283		717	28 29%
32	Leases and Leasehold Improvements (net) (2681		-		-		-	27 97%
33	RTB Stock (14021)		239,850		67,095		172,755	27 97%
34	Accumulated Deferred Income Taxes (4340,436		1,051,955		297,611		754,344	28 29%
35	Preferred & Common Stock (4510)		27,800		xxxxxxxxxxxxxxxxxxxxxxxxxxxx			
36	Additional Paid In Capital (4520)		73,726		xxxxxxxxxxxxxxxxxxxxxxxxxxxx			
37	Retained Earnings (4550)		11,253,710		xxxxxxxxxxxxxxxxxxxxxxxxxxxx			
38	Long Term Debt (4210 to 4270) + 4050		7,221,854		xxxxxxxxxxxxxxxxxxxxxxxxxxxx			
39	Short Term Debt (4020)		-		xxxxxxxxxxxxxxxxxxxxxxxxxxxx			

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Tellico Telephone Company
Month Ending June 30, 2004.

TENNESSEE INTRASTATE SUPPLEMENTAL FINANCIAL
DATA TO PSC-3.01 FOR

Ln No	SELECTED BALANCE SHEET ITEMS (a)	Average Monthly Balance	Average 12 Months To Date	Average 12 Months To Date
1	Plant In Service	$ 19,562,537	$ 19,070,774	$ 19,070,774
2	Plant Under Construction	277,232	312,684	312,684
3	Plant Held for Future Use (Net)	-	-	-
4	Materials & Supplies	33,589	35,669	35,669
5	Capital Leases (Net)	-	-	-
6	Working Capital (45 Days)	332,145	317,577	317,577
7	RTB Stock	172,755	172,755	172,755
8	Total Additions	$ 20,378,257	$ 19,909,459	$ 19,909,459
	LESS.			
9	Accumulated Depreciation	11,544,664	10,928,898	10,928,898
10	Accumulated Deferred Taxes- Accelerated Depreciation & Cost of Removal	754,344	754,344	754,344
11	Unamortized ITC	-	-	-
12	Customer Deposits	717	717	717
13	Total Reductions	$ 12,299,725	$ 11,683,960	$ 11,683,960
14	Rate Base	$ 8,078,532	$ 8,225,499	$ 8,225,499
15	Alternative Net Operating Income	$ 129,710	$ 649,663	$ 1,197,382
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Alternative Net Operating Income	$ 129,710	$ 649,663	$ 1,197,382
26	Return on Rate Base	19.27%	15.80%	14 56%

MONTHLY REPORT OF TENNESSEE REVENUES EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Tellico Telephone Company

Income Tax Calculation
Month Ending June 30, 2004

		Amount for the Month			year-to-date			12 Months-To-Date		
		Combined	Interstate	Intrastate	Combined	Interstate	Intrastate	Combined	Interstate	Intrastate
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues Per Books	$ 720,972	$ 182,949	$ 538,023	$ 3,978,629	$ 1,020,279	$ 2,958,349	$ 8,020,821	$ 2,135,097	$ 5,885,724
2	Plant Specific Expense	$ 49,002	$ 12,631	$ 36,371	$ 293,434	$ 75,635	$ 217,799	$ 632,428	$ 163,015	$ 469,414
3	Plt Non Spec Expense	49,299	13,791	35,508	316,300	88,481	227,819	672,354	188,083	484,271
4	Depreciation & Amortization	162,879	46,242	116,637	978,898	277,913	700,985	1,923,217	546,009	1,377,208
5	Customer Operation Expense	97,641	27,765	69,876	573,351	163,038	410,312	1,152,222	327,647	824,575
6	Corporate Operation Expense	98,176	28,638	69,537	505,552	147,472	358,080	1,163,095	339,280	823,815
7a	Other Operating Taxes (Prop & Franchise)	$ 13,220	$ 3,796	$ 9,424	$ 71,028	$ 20,394	$ 50,634	$ 124,917	$ 35,866	$ 89,051
7b	Other Operating Taxes (PSC Fee & Gross Receipts)	1,000		1,000	7,946		7,946	13,094		13,094
7	Total Other Operating Taxes	$ 14,220	$ 3,796	$ 10,424	$ 78,974	$ 20,394	$ 58,580	$ 138,011	$ 35,866	$ 102,144
8	Total Operating Exp Before Inc Taxes	$ 471,218	$ 132,863	$ 338,354	$ 2,746,508	$ 772,934	$ 1,973,574	$ 5,681,327	$ 1,599,900	$ 4,081,427
9	NOI Before Income Taxes	$ 249,754	$ 50,086	$ 199,669	$ 1,232,121	$ 247,346	$ 984,775	$ 2,339,493	$ 535,196	$ 1,804,297
10	Flow-thru Sch M	$ 22	6	$ 16	$ 134	37	$ 96	267	75	$ 192
11	Deferred Sch M	(35,180)	(9,841)	(25,339)	(211,079)	(59,047)	(152,032)	(422,158)	(118,094)	(304,064)
12	Allocated Interest	36,116	20,689	15,427	221,363	124,445	96,918	449,083	255,248	193,836
13	State Excise Taxable Amount (L9+L10+L11-L12)	$ 178,481	$ 19,561	$ 158,919	$ 799,812	$ 63,891	$ 735,921	$ 1,468,519	$ 161,930	$ 1,306,589
14	State Excise Tax @ 6 00%	$ 10,709	$ 1,174	$ 9,535	$ 47,989	$ 3,833	$ 44,155	$ 88,111	$ 9,716	$ 78,395
15	State Deferred Tax (L11*6 0%)	(2,111)	(590)	(1,520)	(12,665)	(3,543)	(9,122)	(25,329)	(7,086)	(18,244)
16	Excess (Insufficient) Deferred Taxes	1,170	327	843	7,020	1,964	5,056	18,425	5,154	13,271
17	Net SIT (L14+L15+L16)	$ 9,768	$ 911	$ 8,858	$ 42,344	$ 2,254	$ 40,090	$ 81,207	$ 7,784	$ 73,422
18	FIT Taxable Amount (L9+L10+L12-L17)	$ 203,893	$ 28,492	$ 175,401	$ 968,547	$ 120,683	$ 847,864	$ 1,809,470	$ 272,239	$ 1,537,231
19	FIT Gross @ 35%	$ 71,362	$ 9,972	$ 61,390	$ 338,991	$ 42,239	$ 296,752	$ 633,315	$ 95,284	$ 538,031
20	ITC Amortization	-	-	-	-			-		
21	Deferred (Excess) Write-back	(401)	(112)	(289)	(2,402)	(672)	(1,730)	(6,301)	(1,763)	(4,538)
22	Net FIT	$ 70,961	$ 9,860	$ 61,101	$ 336,589	$ 41,567	$ 295,022	$ 627,014	$ 93,521	$ 533,493
23	Alternative NOI (L9-L17-L22)	$ 169,025	$ 39,315	$ 129,710	$ 853,187	$ 203,524	$ 649,663	$ 1,631,273	$ 433,891	$ 1,197,382

MONTHLY REPORT OF TENNESSEE REVENUES EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tellico Telephone Company
Month Ending June 30, 2004

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

Ln. No	TYPE OF SERVICE (a)	RESIDENCE (b)	BUSINESS (c)	TOTAL (d)
1	1 party	7,865	1,929	9,794
2	2 party			-
3	4 party			-
4	Multi party			-
5	Other			-
6	Total	7,865	1,929	9,794

INSTRUCTIONS

1. This report is required of telephone companies which had operating revenues for the preceding year in excess of $1,500,000 as provided in the Commission's rules. Prepare on a typewriter and file within 60 days after the end of the calendar month covered by the report. Show amounts adjusted to the nearest thousand dollars unless directed otherwise.
2. If Tennessee data is not available for multistate companies, include total company operations under the combined columns and note that the data represents total company.
3. If any amount for the current month differs materially from that for the previous month a year age and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks".
4. Average for the 12 Months To Date shall be computed on an average monthly balance basis

REMARKS

I certify to the best of my knowledge and belief this is a true and correct report.

Date 7-21-, 2004 (Signed) Bruce H. Mottern
Title. Director Revenue and Earnings

TDS Telecom - South Central Region
P. O. Box 22995
Knoxville, Tennessee 37932
Name of Contact Concerning This Report Bruce H Mottern

Phone Number of Contact (865) 671-4753

Tellico Telephone Company

TENNESSEE INTRASTATE SUPPLEMENTAL FINANCIAL
ALTERNATIVE RATE OF RETURN CALCULATION
DATA TO PSC-3 01 FOR
Month Ending June 30, 2004

DESCRIPTION	PERCENT	MONTHLY AVERAGE	COST OF CAPITAL	WEIGHTED COST	PERCENT	YTD 12 MOS AVERAGE	COST OF CAPITAL	WEIGHTED COST	PERCENT	12 MOS AVERAGE	COST OF CAPITAL	WEIGHTED COST
1 EQUITY	61 21%	$ 11,630,111	12 50%	7 65%	60 11%	11,355,236	12 50%	7 51%	60 11%	11,355,236	12 50%	7 51%
2 LONG AND SHORT TERM DEBT	38 79%	7,370,518	5 91%	2 29%	39 89%	7,535,962	5 91%	2 36%	39 89%	7,535,962	5 91%	2 36%
3 TOTAL CAPITALIZATION		$ 19,000,629		9 94%		18,891,198		9 87%		18,891,198		9 87%
4 RATE BASE		$ 8,078,532				$ 8,225,499				$ 8,225,499		
5 EQUITY RATE BASE	61 21%	$ 4,944,796			60 11%	$ 4,944,233			60 11%	$ 4,944,233		
6 FUNDED DEBT RATE BASE	38 79%	3,133,736			39 89%	3,281,266			39 89%	3,281,266		
		$ 8,078,532				$ 8,225,499				$ 8,225,499		
7 FUNDED DEBT RATE BASE		$ 3,133,736				$ 3,281,266				$ 3,281,266		
8 COST OF FUNDED DEBT		5 91%				5 91%				5 91%		
9 INTEREST EXPENSE(OPERATING)		$ 15,427				$ 96,918				$ 193,836		
10 INCOME AVAILABLE FOR RETURN		$ 129,710				$ 649,663				$ 1,197,382		
11 REGULATED NET INCOME (L10 - L9)		$ 114,283				$ 552,745				$ 1,003,546		
12 EARNED RETURN ON REGULATED EQUITY (L11/L 5)		27 73%				22 36%				20 30%		

RECEIVED

JUL ... 2004

TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tennessee Telephone Company
Month Ending June 30, 2004

Ln No	Item (a)	Total Company Current Month (b)	Interstate Current Month (c)	Intrastate Current Month (d)	Interstate % (e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 1,847,321	$ -	$ 1,847,321	
2	Interstate Access (5081-5083)	994,621	994,621	-	
3	Interstate USF (50821)	138,689		138,689	
4	Intrastate Access (508421-50847)	861,900		861,900	
5	Long Distance Revenues (5100 - 5169)	-		-	
6	Miscellaneous Revenues (523-5269)	73,223		73,223	
7	B&C (5270)	109,514	37,567	71,948	
8	Uncollectible Revenues (5300)	11,356		11,356	
9	Total Operating Revenues (L1 to L8)	$ 4,036,624	$ 1,032,188	$ 3,004,436	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 317,309	$ 81,789	$ 235,520	25 78%
11	Plt Non Spec Expense (6510 to 6540)	314,532	81,128	233,404	25 79%
12	Depreciation & Amortization (6560)	909,663	249,153	660,510	27 39%
13	Customer Operation Expense (6600)	577,318	151,680	425,638	26 27%
14	Corporate Operation Expense (6700)	633,914	164,192	469,722	25 90%
15	Other Operating Taxes (7240)	81,098	21,730	59,368	26 79%
16	Federal Income Taxes (7220 and 72501)	383,511	86,709	296,802	
17	State Income Taxes (7230 and 72502)	82,751	35,621	47,130	
18	Total Operating Expenses (L10 to L17)	$ 3,300,096	$ 872,002	$ 2,428,094	
19	Net Operating Income (L9 less L18)	$ 736,528	$ 160,185	$ 576,343	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	51,889	-	51,889	
21	Interest Expense (7510 to 7540)	61,054	-	61,054	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	(20,743)	-	(20,743)	
24	Net Income	$ 706,620	$ 160,185	$ 546,434	

Ln No	Selected Balance Sheet Items	Current Month	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 145,688,907	$ 37,926,509	$ 107,762,398	26 03%
26	Depreciation Reserve (3100-3120)	90,111,099	23,231,382	66,879,717	25 78%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	2,905,444	756,361	2,149,084	26 03%
29	Materials & Supplies (1220)	543,185	143,167	400,018	26 36%
30	Unamortized ITC (4230)	-	-	-	0 00%
31	Customer Deposits (4040)	17,857	4,706	13,150	26 36%
32	Leases and Leasehold Improvements (net) (2681, 2682)	218,140	56,787	161,353	26 03%
33	RTB Stock (14021)	-	-	-	0 00%
34	Accumulated Deferred Income Taxes (4340,4361,1437)	5,250,342	1,351,119	3,899,223	25 73%
35	Preferred & Common Stock (4510)	2,953,800	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
36	Additional Paid In Capital (4520)	3,278,054	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
37	Retained Earnings (4550)	80,665,262	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
38	Long Term Debt (4210 to 4270) + 4050	14,661,874	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxxx		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tennessee Telephone Company
Month Ending June 30, 2004

Ln No	Item	Total Company YTD	Interstate YTD	Intrastate YTD	Interstate %
	(a)	(b)	(c)	(d)	(e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 11,229,490	$ -	$ 11,229,490	
2	Interstate Access (5081-5083)	5,602,086	5,602,086	-	
3	Interstate USF (50821)	772,884	-	772,884	
4	Intrastate Access (508421-50847)	5,069,153	-	5,069,153	
5	Long Distance Revenues (5100 - 5169)	-	-	-	
6	Miscellaneous Revenues (523-5269)	413,166	-	413,166	
7	B&C (5270)	581,592	200,438	381,154	
8	Uncollectible Revenues (5300)	(22,356)	-	(22,356)	
9	Total Operating Revenues (L1 to L8)	$ 23,646,015	$ 5,802,524	$ 17,843,492	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 1,747,348	$ 450,396	$ 1,296,952	25 78%
11	Plt Non Spec Expense (6510 to 6540)	2,000,416	515,971	1,484,444	25 79%
12	Depreciation & Amortization (6560)	5,623,420	1,540,232	4,083,189	27 39%
13	Customer Operation Expense (6600)	3,572,743	938,674	2,634,068	26 27%
14	Corporate Operation Expense (6700)	3,398,032	880,135	2,517,897	25 90%
15	Other Operating Taxes (7240)	439,887	117,866	322,021	26 79%
16	Federal Income Taxes (7220 and 72501)	2,190,147	420,727	1,769,420	
17	State Income Taxes (7230 and 72502)	472,182	191,479	280,703	
18	Total Operating Expenses (L10 to L17)	$ 19,444,175	$ 5,055,480	$ 14,388,695	
19	Net Operating Income (L9 less L18)	$ 4,201,840	$ 747,044	$ 3,454,796	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	177,766	-	177,766	
21	Interest Expense (7510 to 7540)	374,642	-	374,642	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	122,913	-	122,913	
24	Net Income	$ 4,127,877	$ 747,044	$ 3,380,833	
	Selected Balance Sheet Items	12 Mth Average	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 144,036,239	$ 37,496,278	$ 106,539,961	26 03%
26	Depreciation Reserve (3100-3120)	85,555,681	22,056,958	63,498,723	25 78%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	2,444,464	636,356	1,808,108	26 03%
29	Materials & Supplies (1220)	550,063	144,980	405,083	26 36%
30	Unamortized ITC (4230)	-	-	-	0 00%
31	Customer Deposits (4040)	9,607	2,532	7,075	26 36%
32	Leases and Leasehold Improvements (net) (2681, 2682)	297,873	77,544	220,329	26 03%
33	RTB Stock (14021)	-	-	-	0 00%
34	Accumulated Deferred Income Taxes (4340,4361,1437)	5,836,466	1,501,952	4,334,514	25 73%
35	Preferred & Common Stock (4510)	2,953,800	xxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxx	
36	Additional Paid In Capital (4520)	3,278,054	xxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxx	
37	Retained Earnings (4550)	76,028,314	xxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxx	
38	Long Term Debt (4210 to 4270) + 4050	14,978,357	xxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxx	
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxx	

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tennessee Telephone Company
Month Ending June 30, 2004

Ln No	Item (a)	Total Company 12 Month (b)	Interstate 12 Month (c)	Intrastate 12 Month (d)	Interstate % (e)
	OPERATING REVENUES				
1	Local Revenues (5000 - 5069)	$ 22,332,948	$ -	$ 22,332,948	
2	Interstate Access (5081-5083)	11,496,046	11,496,046	-	
3	Interstate USF (50821)	1,398,815	-	1,398,815	
4	Intrastate Access (508421-50847)	14,414,128	-	14,414,128	
5	Long Distance Revenues (5100 - 5169)	(4,368,800)	-	(4,368,800)	
6	Miscellaneous Revenues (523-5269)	813,449	-	813,449	
7	B&C (5270)	1,289,227	402,734	886,494	
8	Uncollectible Revenues (5300)	(53,662)	-	(53,662)	
9	Total Operating Revenues (L1 to L8)	$ 47,322,151	$ 11,898,780	$ 35,423,371	
	OPERATING EXPENSES				
10	Plt Specific Expense (6110 to 6441) + 7130	$ 3,797,712	$ 978,897	$ 2,818,814	25 78%
11	Plt Non Spec Expense (6510 to 6540)	4,333,540	1,117,759	3,215,781	25 79%
12	Depreciation & Amortization (6560)	10,729,920	2,938,881	7,791,039	27 39%
13	Customer Operation Expense (6600)	7,478,425	1,964,822	5,513,603	26 27%
14	Corporate Operation Expense (6700)	7,193,831	1,863,297	5,330,534	25 90%
15	Other Operating Taxes (7240)	861,398	230,808	630,590	26 79%
16	Federal Income Taxes (7220 and 72501)	4,102,089	854,944	3,247,145	
17	State Income Taxes (7230 and 72502)	984,321	468,849	515,472	
18	Total Operating Expenses (L10 to L17)	$ 39,481,236	$ 10,418,258	$ 29,062,977	
19	Net Operating Income (L9 less L18)	$ 7,840,915	$ 1,480,522	$ 6,360,394	
20	Nonoperating Inc (7310 to 7370) and (7410 to 7450)	552,162	-	552,162	
21	Interest Expense (7510 to 7540)	767,209	-	767,209	
22	Extraordinary Items (7610 to 7640)	-	-	-	
23	Nonregulated Income Items (7990)	(192,600)	-	(192,600)	
24	Net Income	$ 7,433,269	$ 1,480,522	$ 5,952,747	

Ln No	Selected Balance Sheet Items	12 Mth Average	Interstate	Intrastate	Interstate %
25	Plant in Service (2100-2400)	$ 144,036,239	$ 37,496,278	$ 106,539,961	26 03%
26	Depreciation Reserve (3100-3120)	85,555,681	22,056,958	63,498,723	25 78%
27	Property Held for Future Use (2002)	-	-	-	0 00%
28	Plant Under Construction (2003)	2,444,464	636,356	1,808,108	26 03%
29	Materials & Supplies (1220)	550,063	144,980	405,083	26 36%
30	Unamortized ITC (4230)	-	-	-	0 00%
31	Customer Deposits (4040)	9,607	2,532	7,075	26 36%
32	Leases and Leasehold Improvements (net) (2681, 2682)	297,873	77,544	220,329	26 03%
33	RTB Stock (14021)	-	-	-	0 00%
34	Accumulated Deferred Income Taxes (4340,4361,1437)	5,836,466	1,501,952	4,334,514	25 73%
35	Preferred & Common Stock (4510)	2,953,800	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	
36	Additional Paid In Capital (4520)	3,278,054	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	
37	Retained Earnings (4550)	76,028,314	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	
38	Long Term Debt (4210 to 4270) + 4050	14,978,357	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	
39	Short Term Debt (4020)	-	xxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxx	

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Tennessee Telephone Company
Month Ending June 30, 2004.

TENNESSEE INTRASTATE SUPPLEMENTAL FINANCIAL
DATA TO PSC-3.01 FOR

Ln No.	SELECTED BALANCE SHEET ITEMS (a)	Average Monthly Balance	Average 12 Months To Date	Average 12 Months To Date
1	Plant In Service	$ 107,623,188	$ 106,539,961	$ 106,539,961
2	Plant Under Construction	2,259,417	1,808,108	1,808,108
3	Plant Held for Future Use (Net)	-	-	-
4	Materials & Supplies	413,127	405,083	405,083
5	Capital Leases (Net)	168,638	220,329	220,329
6	Working Capital (45 Days)	2,135,478	2,063,846	2,063,846
7	RTB Stock	-	-	-
8	Total Additions	$ 112,599,848	$ 111,037,327	$ 111,037,327
	LESS.			
9	Accumulated Depreciation	66,762,974	63,498,723	63,498,723
10	Accumulated Deferred Taxes- Accelerated Depreciation & Cost of Removal	3,902,060	4,334,514	4,334,514
11	Unamortized ITC	-	-	-
12	Customer Deposits	12,566	9,607	9,607
13	Total Reductions	$ 70,677,600	$ 67,842,844	$ 67,842,844
14	Rate Base	$ 41,922,248	$ 43,194,483	$ 43,194,483
15	Alternative Net Operating Income	$ 574,711	$ 3,442,116	$ 6,338,986
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26	Alternative Net Operating Income	$ 574,711	$ 3,442,116	$ 6,338,986
27	Return on Rate Base	16.45%	15.94%	14.68%

MONTHLY REPORT OF TENNESSEE REVENUES EXPENSES
AND INVESTMENTS - TELEPHONE COMPANIES
Tennessee Telephone Company

Income Tax Calculation
Month Ending June 30, 2004

	Amount for the Month			year-to-date			12 Months-To-Date		
	Combined	Interstate	Intrastate	Combined	Interstate	Intrastate	Combined	Interstate	Intrastate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1 Operating Revenues Per Books	$ 4,036,624	$ 1,032,188	$ 3,004,436	$ 23,646,015	$ 5,802,524	$ 17,843,492	$ 47,322,151	$ 11,898,780	$ 35,423,371
2 Plant Specific Expense	$ 317,309	$ 81,789	$ 235,520	$ 1,747,348	$ 450,396	$ 1,296,952	$ 3,797,712	$ 978,897	$ 2,818,814
3 Plt Non Spec Expense	314,532	81,128	233,404	2,000,416	515,971	1,484,444	4,333,540	1,117,759	3,215,781
4 Depreciation & Amortization	909,663	249,153	660,510	5,623,420	1,540,232	4,083,189	10,729,920	2,938,881	7,791,039
5 Customer Operation Expense	577,318	151,680	425,638	3,572,743	938,674	2,634,068	7,478,425	1,964,822	5,513,603
6 Corporate Operation Expense	633,914	164,192	469,722	3,398,032	880,135	2,517,897	7,193,831	1,863,297	5,330,534
7a Other Operating Taxes (Prop & Franchise)	$ 75,008	$ 20,098	$ 54,910	$ 392,564	$ 105,186	$ 287,378	$ 781,501	$ 209,400	$ 572,101
7b Other Operating Taxes (PSC Fee & Gross Receipts)	6,090		6,090	47,323		47,323	79,897		79,897
7 Total Other Operating Taxes	$ 81,098	$ 20,098	$ 61,000	$ 439,887	$ 105,186	$ 334,701	$ 861,398	$ 209,400	$ 651,998
8 Total Operating Exp Before Inc Taxes	$ 2,833,834	$ 748,040	$ 2,085,793	$ 16,781,846	$ 4,430,594	$ 12,351,252	$ 34,394,826	$ 9,073,057	$ 25,321,769
9 NOI Before Income Taxes	$ 1,202,790	$ 284,147	$ 918,643	$ 6,864,169	$ 1,371,929	$ 5,492,240	$ 12,927,325	$ 2,825,723	$ 10,101,602
10 Flow-thru Sch M	$ 709	184	$ 524	$ 4,251	1,107	$ 3,144	8502	2,213	$ 6,289
11 Deferred Sch M	(129,137)	(33,618)	(95,519)	(774,821)	(201,706)	(573,115)	(1,549,642)	(403,411)	(1,146,231)
12 Allocated Interest	61,054	34,985	26,069	374,642	203,229	171,413	767,209	424,382	342,827
13 State Excise Taxable Amount (L9+L10+L11-L12)	$ 1,013,307	$ 215,729	$ 797,578	$ 5,718,957	$ 968,101	$ 4,750,855	$ 10,618,977	$ 2,000,143	$ 8,618,834
14 State Excise Tax @ 6 00%	$ 60,798	$ 12,944	$ 47,855	$ 343,137	$ 58,086	$ 285,051	$ 637,139	$ 120,009	$ 517,130
15 State Deferred Tax (L11*6.0%)	(7,748)	(2,017)	(5,731)	(46,489)	(12,102)	(34,387)	(92,979)	(24,205)	(68,774)
16 Excess (Insufficient) Deferred Taxes	6,769	1,762	5,007	40,611	10,572	30,039	90,737	23,621	67,116
17 Net SIT (L14+L15+L16)	$ 59,819	$ 12,689	$ 47,130	$ 337,259	$ 56,556	$ 280,703	$ 634,897	$ 119,425	$ 515,472
18 FIT Taxable Amount (L9+L10+L12-L17)	$ 1,082,625	$ 236,658	$ 845,967	$ 6,156,519	$ 1,113,251	$ 5,043,268	$ 11,533,722	$ 2,284,129	$ 9,249,593
19. FIT Gross @ 35%	$ 378,919	$ 82,830	$ 296,088	$ 2,154,782	$ 389,638	$ 1,765,144	$ 4,036,803	$ 799,445	$ 3,237,357
20 ITC Amortization	-	-	-	-			-		
21 Deferred (Excess) Write-back	964	251	713	5,782	1,505	4,277	13,232	3,445	9,787
22 Net FIT	$ 379,883	$ 83,081	$ 296,802	$ 2,160,564	$ 391,143	$ 1,769,420	$ 4,050,035	$ 802,890	$ 3,247,145
23 Alternative NOI (L9-L17-L22)	$ 763,088	$ 188,377	$ 574,711	$ 4,366,346	$ 924,230	$ 3,442,116	$ 8,242,394	$ 1,903,408	$ 6,338,986

MONTHLY REPORT OF TENNESSEE REVENUES EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES
Tennessee Telephone Company
Month Ending June 30, 2004

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

Ln. No	TYPE OF SERVICE (a)	RESIDENCE (b)	BUSINESS (c)	TOTAL (d)
1	1 party	53,405	13,397	66,802
2	2 party			-
3	4 party			-
4	Multi party			-
5	Other			-
6	Total	53,405	13,397	66,802

INSTRUCTIONS

1. This report is required of telephone companies which had operating revenues for the preceding year in excess of $1,500,000 as provided in the Commission's rules Prepare on a typewriter and file within 60 days after the end of the calendar month covered by the report Show amounts adjusted to the nearest thousand dollars unless directed otherwise
2. If Tennessee data is not available for multistate companies, include total company operations under the combined columns and note that the data represents total company
3. If any amount for the current month differs materially from that for the previous month a year age and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks"
4. Average for the 12 Months To Date shall be computed on an average monthly balance basis.

REMARKS

I certify to the best of my knowledge and belief this is a true and correct report

Date 7-21, 2004 (Signed) Bruce H. Mottern
Title: Director Revenue and Earnings

TDS Telecom - South Central Region
P. O Box 22995
Knoxville, Tennessee 37932
Name of Contact Concerning This Report Bruce H Mottern

Phone Number of Contact: (865) 671-4753

Tennessee Telephone Company

TENNESSEE INTRASTATE SUPPLEMENTAL FINANCIAL
ALTERNATIVE RATE OF RETURN CALCULATION
DATA TO PSC-3 01 FOR
Month Ending June 30, 2004

DESCRIPTION	PERCENT	MONTHLY AVERAGE	COST OF CAPITAL	WEIGHTED COST	PERCENT	YTD 12 MOS AVERAGE	COST OF CAPITAL	WEIGHTED COST	PERCENT	12 MOS AVERAGE	COST OF CAPITAL	WEIGHTED COST
1 EQUITY	85 08%	$ 86,897,115	12 50%	10 63%	84 13%	82,260,167	12 50%	10 52%	84 13%	82,260,167	12 50%	10 52%
2 LONG AND SHORT TERM DEBT	14 92%	15,243,879	5 00%	0 75%	15 87%	15,521,497	5 00%	0 79%	15 87%	15,521,497	5 00%	0 79%
3 TOTAL CAPITALIZATION		$ 102,140,995		11 38%		97,781,665		11 31%		97,781,665		11 31%
4 RATE BASE		$ 41,922,248				$ 43,194,483				$ 43,194,483		
5 EQUITY RATE BASE	85 08%	$ 35,665,625			84 13%	$ 36,337,952			84 13%	$ 36,337,952		
6 FUNDED DEBT RATE BASE	14 92%	6,256,623			15 87%	6,856,531			15 87%	6,856,531		
		$ 41,922,248				$ 43,194,483				$ 43,194,483		
7 FUNDED DEBT RATE BASE		$ 6,256,623				$ 6,856,531				$ 6,856,531		
8 COST OF FUNDED DEBT		5 00%				5 00%				5 00%		
9 INTEREST EXPENSE(OPERATING)		$ 26,069				$ 171,413				$ 342,827		
10 INCOME AVAILABLE FOR RETURN		$ 574,711				$ 3,442,116				$ 6,338,986		
11 REGULATED NET INCOME (L10 - L9)		$ 548,642				$ 3,270,703				$ 5,996,159		
12 EARNED RETURN ON REGULATED EQUITY (L11/L 5)		18 46%				18 00%				16 50%		

MONTHLY REPORT OF TENNESSEE REVENUES, EXPENSES AND INVESTMENTS - TELEPHONE COMPANIES

Company Name West Tennessee Telephone Co , Inc
Month Ending April 30, 2004

	Item (a)	Amount For The Month Combined (b)	Amount For The Month Interstate (c)	Amount For The Month Intrastate (d)	Year - To - Date Combined (e)	Year - To - Date Interstate (f)	Year - To - Date Intrastate (g)	12 Months-To-Date Combined (h)	12 Months-To-Date Interstate (i)	12 Months-To-Date Intrastate (j)
	Operating Revenues									
1	Local Revenues (5000 to 5069)	38,913	0	38,913	154,117	0	154,117	458,015	0	458,015
2	Access Revenues (5080 to 5084)	197,357	112,736	84,620	865,563	449,814	415,749	2,677,630	1,332,172	1,345,458
3	Long Distance Revenues (5100 to 5169)	100	0	100	474	0	474	1,494	0	1,494
4	Miscellaneous Revenues (5200 to 5270)	14,427	3,019	11,408	54,454	12,878	41,576	178,163	40,973	137,190
5	Uncollectible Revenues (5300 to 5302)	155	0	155	656	0	656	20,269	17,646	2,623
6	**Total Operating Revenues (L1 to L4 less L5)**	**250,641**	**115,756**	**134,885**	**1,073,952**	**462,692**	**611,260**	**3,295,033**	**1,355,499**	**1,939,533**
	Operating Expenses									
7	Plant Specific Expenses (6110 to 6441)	48,314	8,643	39,671	178,405	31,917	146,488	561,835	100,513	461,322
8	Plant NonSpecific Expenses (6510 to 6540)	30,568	5,379	25,189	127,866	22,500	105,366	389,783	68,586	321,197
9	Depreciation & Amortization (6560 to 6565)	66,491	11,700	54,791	270,982	47,682	223,300	889,173	156,458	732,715
10	Customer Operations Expense (6610 to 6623)	68,661	12,366	56,295	280,895	50,589	230,306	850,081	153,099	696,982
11	Corporate Operations Expense (6710 to 6790)	49,026	10,344	38,682	198,980	41,985	156,995	607,311	128,141	479,170
12	Other Operating Taxes (7230 & 7240)	6,964	1,246	5,718	28,027	5,015	23,012	63,030	11,277	51,753
13	Federal Income Taxes (7210, 7220 and 7250)	(7,155)	(1,747)	(5,408)	(10,222)	(2,497)	(7,725)	(23,717)	(5,793)	(17,924)
14	**Total Operating Expenses (L7 to L13)**	**262,869**	**47,931**	**214,938**	**1,074,933**	**197,191**	**877,742**	**3,337,497**	**612,281**	**2,725,216**
15	**Net Operating Income (L6 minus L14)**	**(12,228)**	**67,825**	**(80,052)**	**(981)**	**265,501**	**(266,482)**	**(42,465)**	**743,218**	**(785,683)**
16	Nonoperating Inc (7310 to 7370)-(7410 to 7450)	207	38	169	(3,700)	(681)	(3,019)	11,332	2,083	9,249
17	Interest Expense (7510 to 7540)	37	7	30	154	28	126	462	84	378
18	Extraordinary Items (7610 to 7640)	0	0	0	0	0	0	0	0	0
19	Nonregulated Income Items	(8,047)	(1,481)	(6,566)	(28,110)	(5,172)	(22,938)	(89,304)	(16,432)	(72,872)
20	**Net Income**	**(20,105)**	**66,375**	**(86,480)**	**(32,945)**	**259,620**	**(292,565)**	**(120,899)**	**728,785**	**(849,684)**

	Selected Balance Sheet Items	Balance End of Month Combined (k)	Balance End of Month Interstate (l)	Balance End of Month Intrastate (m)	Average 12 M-T-D Combined (n)	Average 12 M-T-D Interstate (o)	Average 12 M-T-D Intrastste (p)
21	Plant in Service (2110 to 2690)	10,605,583	1,904,763	8,700,820	10,008,331	1,797,496	8,210,834
22	Property Held For Future Use (2002)	0	0	0	0	0	0
23	Plant Under Construction (2003 to 2004)	1,560,996	280,355	1,280,641	1,617,728	290,544	1,327,184
24	Plant Acquisition Adjustment (2005)	0	0	0	0	0	0
25	Materials & Supplies (1220)	49,599	9,726	39,873	188,953	37,054	151,899
26	Depreciation Reserve (3100 to 3600 less 3300)	5,971,171	1,073,617	4,897,554	5,586,438	928,897	4,237,383
27	Unamortized Investment Tax Credit (4320)	0	0	0	260	47	213
28	Accumulated Deferred Income Taxes (4340)	714,426	128,454	585,972	673,690	121,129	552,560
29	Preferred Stock (4510)	0	XXXXXX	XXXXXX	0	XXXXXX	XXXXXX
30	Common Stock (4510)	135,000	XXXXXX	XXXXXX	135,000	XXXXXX	XXXXXX
31	Additional Paid In Capital (4520)	0	XXXXXX	XXXXXX	0	XXXXXX	XXXXXX
32	Retained Earnings (4550)	6,518,052	XXXXXX	XXXXXX	6,574,510	XXXXXX	XXXXXX
33	Long Term Debt (4210 to 4270)	0	XXXXXX	XXXXXX	5,768	XXXXXX	XXXXXX

West Tennessee Telephone Co., Inc. April 30, 2004

ACCESS LINE AND SERVICE DATA FOR ALL EXCHANGES IN TENNESSEE

	Type of Service (a)	Residence (b)	Business (c)	Total (d)
34	1 Party	4,098	452	4,550
35	2 Party			0
36	4 Party			0
37	Multi Party			0
38	Other	1	216	217
39	**Total**	**4,099**	**668**	**4,767**

INSTRUCTIONS

1 This report is required of telephone companies which had operating revenues for the preceeding year in excess of $1,500,000 as provided in the Commission's rules Prepare on a typewriter and file within 60 days after the end of the calendar month covered by the report. Show amounts adjusted to the nearest thousand dollars unless otherwise directed otherwise.

2. If Tennessee data is not available for multistate companies, include total company operations under the combined columns and not that the data represents total company

3. If any amount for the current month differs materially from that for the previous month a year ago and the difference is not self explanatory, annotate the amount and explain the occasioning facts under "Remarks".

4. Average for the 12 Months-To-Date shall be computed on an average monthly balance basis.

REMARKS

I certify that to the best of my knowledge and belief this is a true and correct report:

Date 7-2-04

(Signed) Larry S. Howle

Title Separations Specialist

Address 236 E Capital St., Jackson, MS

Name of Contact Concerning This Report Larry S Howle

Phone Number of Contact (601) 352-0940

West Tennessee Telephone Co., Inc. April 30, 2004

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.01
FOR THE MONTH ENDED April 30, 2004

Line #		Average Monthly Balance	Average Y-T-D Balance	Average for 12 M-T-D
	Additions:			
1	Plant In Service	$10,426,349	$10,313,700	$10,008,331
2	Plant Under Construction	1,658,164	1,662,908	1,617,728
3	Property Held For Future Use	0	0	0
4	Materials & Supplies	49,317	51,312	188,953
	Other Additions (Itemize):			
5	Working Capital	196,568	196,537	200,751
6				
7				
8	**Total Additions**	$12,330,398	$12,224,456	$12,015,762
	Deductions:			
9	Accumulated Depreciation	5,937,925	5,836,361	5,586,438
10	Accumulated Deferred Income Taxes	716,508	714,970	673,690
11	Unamortized Investment Credit - Pre 1971	0	75	260
12	Customer Deposits	5,300	5,560	5,669
	Other Deductions (Itemize).			
13	Deferred Revenue-TPSC ordered	0	0	0
14				
15				
16	**Total Deductions**	$6,659,733	$6,556,966	$6,266,057
17	**Rate Base**	$5,670,665	$5,667,490	$5,749,705
18	Net Operating Income (NOI)	(12,228)	(981)	(42,465)
	Adjustments to NOI (Itemize):			
19				
20	Less. Interest on Customer Deposits	25	106	301
21	Add: Inside Wiring (NOI)	(1,198)	(2,567)	(3,730)
22	Add: Parent Tax Savings	478	22,991	69,849
23	Less: Interstate B&C Net Income	(4,033)	(16,104)	(47,794)
24	**Adjusted Net Operating Income**	($8,939)	$35,441	$71,148
25	**Rate Of Return (L24/L17)**	-1 89%	1.88%	1.24%

All amounts should be calculated in a manner consistent with the last Rate Order issued by the Commission for this company.

CONTINUING SURVEILLANCE CONSIDERATIONS. Estimate the effect on net operating income of very significant known changes occurring within the period covered by the report which are not fully reflected in the revenue and expense amounts shown in the report

1.
2

SUPPLEMENTAL FINANCIAL DATA TO PSC 3.01
NET ACCESS REVENUES BY CATEGORY
FOR THE MONTH ENDED April 30, 2004

Line #		MONTH ENDED 04/30/04	12 MONTHS ENDED 04/30/04
1	Switched		
	A. Line Termination		
	B Local Switching 1		
	C. Local Switching 2	69,865	57,007
	D Intercept		
	E Directory Assistance	343	280
	F. Transport		
	1. Access Connection		
	2. Local Transport	29,586	24,157
	G. Miscellaneous		10
	H. Subtotal	99,794	81,455
2	Feature Group A & B		
3	Feature Group E		
4	Carrier Common Line	23,695	19,155
5	Billing and Collection·		
	A Record		
	B. Billing Services	14,793	15,787
	C. Miscellaneous		
	D Subtotal	14,793	15,787
6	Special Access	6,850	11,512
7	Miscellaneous (Itemize)		
	A CMRS Reserve Pending Arbitration	(45,719)	0
	B		
	C.		
	D Subtotal	(45,719)	0
8	Total Intrastate Access Revenues (Total lines 1 through 7)	99,413	127,908
9	Total Interstate Access Revenues	112,736	111,014
10	Total Access Charge Revenues	$212,149	$238,923